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CALIFORNIA COUNTY EXPENDITURES

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CALIFORNIA COUNTY EXPENDITURES^{1, 2}

J. K. GALBRAITH³

FOREWORD

THIS STUDY is intended as a first step in the development of a research program by the Giannini Foundation of Agricultural Economics in problems of public finance in their relation to agriculture. The acuteness of the agricultural-tax situation in recent years has been apparent to all. Not so apparent have been the ways and means of ameliorating the situation in a reasonably permanent and equitable manner. Granting that changes in the public business, as it affects the California farmer and the citizens of the state in general, have been shown to be necessary in recent years, there is every need for the fullest understanding of this public business. False panaceas and illusory suggestions for reform flourish where there is an inadequate knowledge of the actual, if often disconcerting, facts. Disappointment and consequent delay of really substantial progress usually follows such fruitless change.

Furthermore, government and the provision of government services constitute by far the most important coöperative undertakings of the people of California. This creates a need for widespread understanding of governmental activity which has been recognized since the time of the earliest democratic institutions.

PUBLIC FINANCE AND PUBLIC EXPENDITURE

In periods of depression, particularly when there is a rapid and considerable decline in the general levels of prices, public attention soon becomes drawn towards those charges which have failed to partake of the downward trend. Whether large or small, such charges become relatively more important than before as they come to absorb a larger percentage of the diminishing money incomes of individuals, households, and business organizations.

Interest charges and certain types of taxes have been the outstanding examples of these fixed charges in recent depression years. Unchanging dollar levels of indebtedness, with a constant level of charges for interest thereon, have borne heavily on all types of business. In both industry,

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through the Reconstruction Finance Corporation, and agriculture, through the Farm Credit Administration, this situation has given rise to unprecedented governmental action.

Likewise taxes, the levies for the support of our numerous units of government, while not fixed at given levels by contract, have remained almost equally stationary in rate where, indeed, they have not actually increased. Many sources of government revenue are close to the business pulse of the nation. A slowing down of business activity brings with it a decline in government revenues. Government expenditures, on the other hand, are not easily decreased. Inevitably the government is, in addition, directly or indirectly faced with the new responsibility of coming to the aid of those who, often through no fault of their own, are no longer self-sustaining. The net result, at most, is but a slight abatement in the demand placed upon tax bases which are still fruitful or upon individuals who are still in position to contribute.

In California, in recent years, the most striking among the charges for support of government, which have shown little tendency towards decline, has been the general property tax. Devoted to the support of local units of government, this particular tax has symbolized the burden of taxation in general to perhaps a majority of the people of the state. From the standpoint of the farmer it is not too much to say that his visible tax problem begins and ends with this particular levy. Over a considerable period of years there is, undoubtedly, a tendency for property taxes to result in a lower value of the property that changes hands. The purchaser of land has his higher taxes compensated or partially compensated by lower overhead. The government takes, in short, a part of the return from the land which would otherwise go into private hands as a rate of return on a proportionately higher land value. When, however, farm earnings approach the vanishing point the burden of the property tax reappears in fullest force. Strictly speaking, land which is not earning a return above the costs of operation and remuneration of the operator does not have any economic value. Assessment for purposes of the property tax does not recognize this fine detail, however, and, while earnings from land may drop to a minimum or disappear entirely, assessments remain as a given percentage of a land value which has existed or it is assumed will return. The tax rate, it has been noted, is not likely to fall materially, and the results are a matter of all too common experience.

To the distressed farmer, or other property owner, two alternatives offer escape from the pressure of taxation which is unsustained by income and which gives promise of delinquency and dispossession. The levy may be shifted to other shoulders, presumably to those better able

to carry it, or the expenditures necessitating the tax may be curtailed. The campaigns for both of these adjustments have been conducted with vigor in recent years. Shifting of the tax burden was accomplished in some measure by the transfer of the counties' share of the school costs to the state and by the introduction of the retail sales tax.⁴ These shifts have resulted in a small but appreciable reduction in the levy on property. Whether the use of the sales tax as a substitute for the general property tax can be justified on the basis of general equitability and ability to pay is an issue which cannot be raised here. It is sufficient to say that easing of tax burdens through a shifting to other groups involves the unfortunate but necessary consequence that other groups receive these burdens. While it seems certain that past legislative measures and the gradual evolution of the tax system have resulted in disruptive and perhaps unjust taxation, of which the general property tax is an example, there is need for the greatest care if changes are not to be similarly undesirable. In short, the easing of admittedly oppressive taxation through shifting of the burden cannot properly fail to carry with it the specification that the result be a closer approach to ideal principles of justice in the demands made upon the members of the community.

Downward adjustment of expenditures, the second of the alternatives for escape from taxation deemed unduly high, has also received its full share of attention in recent years. The cry for this form of adjustment in the public business is one in fact which may be partly stilled at times but which never completely dies. In periods of depression it becomes especially insistent as the fixed charges for taxation, as noted, come to occupy an ever larger place in the budget of the taxpayer.

Commonplace as have become the demands for economy and retrenchment of expenditure, it must be admitted that they have not had any very sweeping effect. New demands placed upon various units of government by the exigencies of depression have been noted as playing a part in keeping gross outlays to the levels previously obtaining or above. Further, and perhaps more important, there has been much confusion, particularly where the smaller units of governments are concerned, as to where the real costs of government lay and hence as to where really effective economies might be made. In particular, there has been a long perpetuated but little examined assumption that many of the revenues of governments are dissipated by waste and friction within the machine. Fruitless search for economies of this sort—painless because no sacrifice of public services is involved—has undoubtedly postponed reductions in expenditures for actual services which might well have been wel-

⁴ Effected through approval by the people and enactment of the "Riley-Stewart" tax plan, Senate Constitutional Amendment No. 30. Voted June 27, 1933.

comed by a majority of the people. Finally, of course, even where there has been recognition of the need for forgoing accustomed services if expenditures were to be reduced, there has been much disagreement with reference to the services to be curtailed or eliminated.

In any case, the subject of governmental expenditures is one which remains confused, and the interest, discussion, and propaganda which it has attracted in recent years have inevitably had a mixed effect from the standpoint of general enlightenment. This situation is perhaps even more true of the local units of government than of state and national bodies. Avenues for a clear-cut focussing of public attention upon the latter are in many respects more effective than those for directing attention to the more somber happenings at the county courthouse and city hall.

It is toward the clarification of the expenditure situation of the California counties that this study is directed. The bringing of attention to bear upon the counties is in harmony with a tax system which makes them primarily dependent upon the general property tax, undeniably the major focus of the farmer's tax problem. Beyond this, however, is the permanent objective already noted of a clearer understanding of this phase of the public business.

METHOD OF STUDY

In order to handle better the large volume of statistical material necessary to a comprehensive view of the expenditures of California counties, the present analysis was organized into three stages.

In the first stage the expenditures of all (57)⁵ counties for all purposes except debt redemption have been examined for the period from 1914-15 to 1931-32, and steps have been taken to break up the figures for total expenditures for all functions into their component parts. Thus, it has been possible to compare the increases in expenditure for education, highways, charities and corrections, and the other services and functions of county government and to assign to each of these the part which it has played in the movement in county expenditures as a whole since 1914-15.

In the second stage, the period of time for which county expenditures are considered has been shortened to a three-year average of the fiscal years 1929-30 to 1931-32. This shortening of the time period in turn has made possible the examination of different types of expenditures, not as a total figure for all counties combined but by individual counties and groups of counties. It has also made possible a more detailed scrutiny of the various classes of county expenditures.

⁵ The City and County of San Francisco has been omitted from the study. (See page 107.)

In the third stage, which is a summary of the preceding material, steps have been taken to appraise the financial possibilities of various suggested reforms in county expenditures and, in particular, the effects of county consolidation upon the expenditures of California counties.

A general survey of a relatively broad field such as that of county expenditures in a state as large and diverse as California, necessarily leaves many specific questions unanswered. Where significant relations of a reasonably broad character have been indicated by the data and their analysis, these points have been given consideration. It has been necessary, however, to pass by many promising avenues for further investigation in the hope that the present study will at least provide a better background for attack thereon.⁶

It has been necessary throughout the study to view expenditures in an objective way without extended consideration of the sources of funds expended. Thus, while the general property tax is the mainstay of county revenues, state apportionments contribute to an important degree in the case of highways, education, and other services.⁷ The county also draws smaller amounts from a variety of miscellaneous sources.

HISTORICAL ANALYSIS OF COUNTY EXPENDITURES⁸

It would have been strange, indeed, if county expenditures had not shown a marked increase during the past fifteen or twenty years. The population of the state doubled during this period; a generally lower dollar value made manifest in higher prices obtained much of the time; and with wealth, income, and living standards generally on the increase, new demands for public services accompanied the parallel growth in demand for more privately provided goods and services. Many have marvelled in recent times at what they choose to describe as a phenomenal growth in expenditures both state and local. It would have been truly phenomenal had there been no increase in expenditures under the conditions which existed during the last two decades.

THE TREND IN ALL EXPENDITURES

An increase for all counties was maintained, however, with scarcely an interruption from 1914-15 to 1930-31 (table 1, fig. 1). Likewise when Los Angeles, Alameda, and San Diego counties are excluded (Appendix

⁶ In connection with the employment of material in this study as a basis for further research as well as in its application to other uses, the question of basic data employed is an important one. In Appendix A, the sources used in connection with this study are discussed in detail and the types of expenditures included and excluded are indicated in full.

⁷ Where state funds make up an especially significant part of the expenditure, indication has been made of the amounts of such funds.

⁸ Expenditures included under this heading are discussed in Appendix B.

B, page 108), the increase was general and uniform, although from 1914–15 until 1918–19 the rate of change was not particularly great—amounting to about 19 per cent. Expenditures of these 54 counties stood at \$36,525,281 in 1914–15 and at \$43,395,449 in 1918–19.⁹ In 1919–20 they stood at \$54,542,867 or 149 per cent of the 1914–15 level, and in 1920–21 at \$78,103,698 or 214 per cent of the 1914–15 level. Thus, within the relatively short period of six years expenditures of the 54 counties had more than doubled. While the increase from 149 to 214 per cent of the 1914–15 base was the greatest relative increase within the period studied, it is of importance to recall that appropriations for expenditures in 1920–21 were made during the first half of 1920, and during this year the all-commodity index of wholesale prices recalculated to a corresponding base of 1915 = 100 reached an all-time peak of 222.¹⁰

No downward adjustment in county expenditures accompanied the fall in prices and reduction of money incomes during the depression of 1921. Expenditures of the 54 counties increased about 2 million dollars from 1920–21 to 1921–22, or from 214 to 219 per cent of the base year, and approximately 8.7 million during the following year, or from 219 to 243 per cent of 1914–15 expenditures. While an increasing price level and accompanying prosperity during the World War years and immediate post-war period apparently served—subject to some lag—to raise the level of county expenditures, the recession which followed seemed to have little influence in bringing a downward adjustment.

Not until 1924–25, in fact, did the first break occur in the hitherto steadily upward trend of county expenditures. While expenditures for all counties during the fiscal year 1924–25 were higher than in previous years, the expenditures of the 54 counties showed a decline of \$3,815,452 or to 238 per cent of the 1914–15 level. In 1925–26 expenditures for the 54 counties again increased, although for that year they were still under the 1923–24 level. With the exception of a slight drop in 1928–29, expenditures continued to increase through the fiscal year ending June 30, 1931. In the latter year they stood at \$118,258,889, or 324 per cent of the 1914–15 level. A slight drop to \$111,800,457, or to 306 per cent of the 1914–15 level, occurred to 1931–32.

Except for miscellaneous disbursements, an expenditure grouping which appears to have varied in content over the period considered, there have been substantial increases in all of the county expenditure items since 1914–15 (tables 2 and 3, and fig. 2). From the standpoint of absolute amounts, by far the most important increase has been for educa-

⁹ Reference throughout is to fiscal years ending on June 30 of the year given.

¹⁰ Computation by author based on United States Department of Labor Bureau of Labor Statistics index.

TABLE 1

TOTAL EXPENDITURES OF CALIFORNIA COUNTIES

Fiscal year	All counties*		54 counties†	
	Total expenditure	Per capita‡	Total expenditure	Per capita‡
1914-15.....	\$ 59,537,225	\$24.39	\$ 36,525,281	\$27.30
1915-16.....	63,636,081	25.08	38,929,221	28.29
1916-17.....	65,799,691	24.99	39,305,825	27.80
1917-18.....	64,459,817	23.63	41,645,481	28.68
1918-19.....	68,656,641	24.31	43,395,449	29.14
1919-20.....	88,328,458	30.25	54,542,867	35.71
1920-21.....	125,410,898	40.04	78,103,698	49.13
1921-22.....	139,089,957	41.58	80,007,572	48.43
1922-23.....	161,908,592	45.52	88,745,910	51.77
1923-24.....	179,405,566	47.60	90,849,518	51.14
1924-25.....	191,690,339	48.14	87,034,066	47.34
1925-26.....	212,401,015	50.64	89,621,912	47.16
1926-27.....	219,588,605	49.84	97,847,569	49.86
1927-28.....	235,173,309	50.93	104,906,394	51.79
1928-29.....	234,986,550	48.65	101,883,720	48.82
1929-30.....	248,277,907	49.24	107,242,082	49.89
1930-31.....	263,873,780	52.33	118,258,889	54.99
1931-32.....	\$251,815,820	\$49.93	\$111,800,457	\$52.02

* Excluding combined City and County of San Francisco.
† Excluding Los Angeles, Alameda, and San Diego counties.
‡ Population calculated upon basis of average annual increase during intercensus period.

Sources of data:
Computations by author based upon: Office of State Controller. Annual report of financial transactions of municipalities and counties of California, annual issues. California State Printing Office, Sacramento. (This publication is hereafter cited as "Financial transactions.")
United States Department of Commerce Bureau of the Census. Fifteenth Census of the United States, 1930. Population. Vol. 1: 127. 1932.

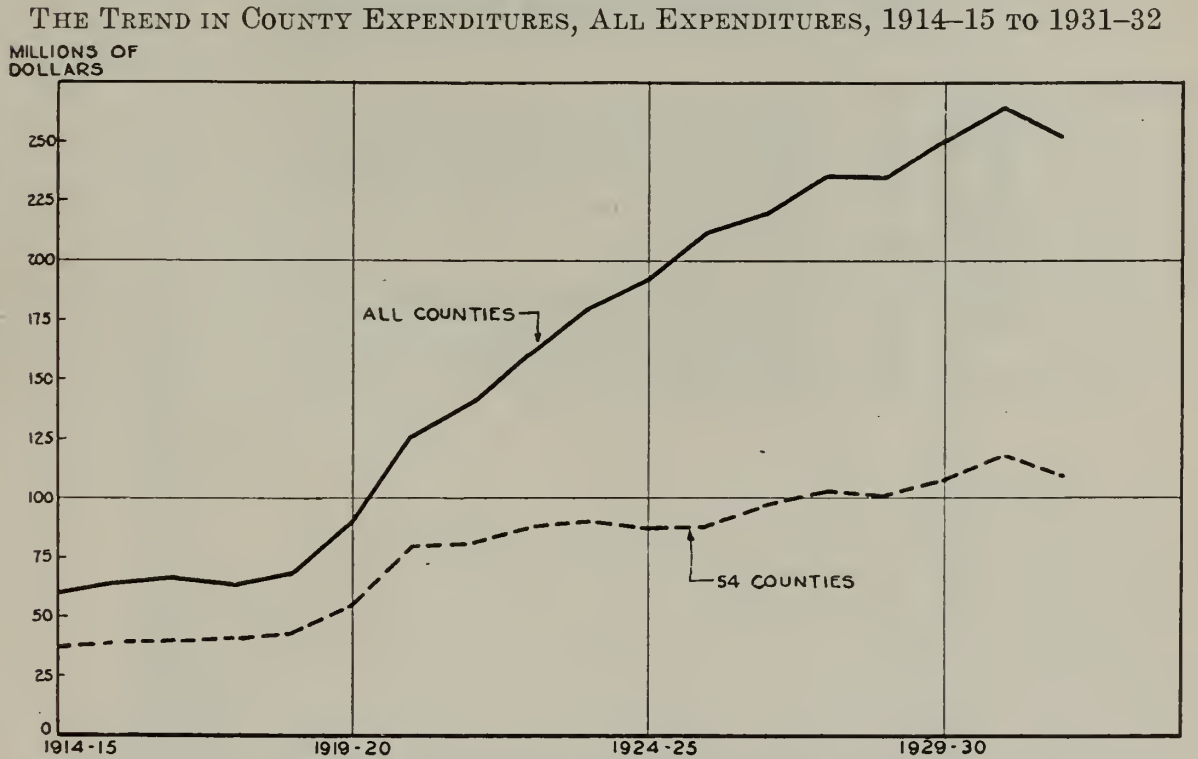


Fig. 1.—Expenditures of California counties increased with scarcely a break from 1914-15 to 1930-31. The City and County of San Francisco is not considered as a county in this study. (Data from table 1.)

TABLE 2
EXPENDITURES OF 54 CALIFORNIA COUNTIES BY MAJOR ITEMS

Fiscal year	Education	Highways	Charities and corrections	General government	Protection to persons and property	Health and sanitation	Recreation	Miscellaneous	Interest
1914-15.....	\$14,736,762	\$ 9,860,123	\$ 2,273,615	\$4,890,829	\$1,722,828	\$ 163,286	\$ 45,044	\$1,576,987	\$1,255,807
1915-16.....	14,725,873	12,652,004	2,482,032	4,646,189	1,945,375	109,674	54,075	779,301	1,534,698
1916-17.....	15,410,042	11,668,105	2,805,904	4,960,105	2,019,042	149,096	42,607	412,213	1,838,711
1917-18.....	15,922,905	12,531,381	3,011,318	4,408,124	2,271,395	272,001	79,239	1,163,814	1,985,304
1918-19.....	16,388,614	10,230,577	3,332,753	5,344,217	2,260,912	428,922	82,074	3,193,423	2,133,957
1919-20.....	22,281,314	12,561,921	3,954,421	5,656,060	2,550,642	604,257	102,133	4,328,943	2,503,176
1920-21.....	37,184,019	21,116,501	4,528,444	6,424,390	2,957,265	734,707	143,042	1,602,794	3,412,536
1921-22.....	40,010,777	19,549,111	5,063,216	6,072,263	3,205,491	774,009	186,584	674,085	4,472,036
1922-23.....	47,624,437	17,279,949	5,539,162	6,886,593	3,698,917	750,082	300,509	1,155,494	5,510,767
1923-24.....	48,965,479	16,226,694	6,603,628	7,236,034	4,047,395	689,086	340,549	1,112,850	5,627,803
1924-25.....	45,349,771	15,870,946	6,497,412	7,347,866	3,767,652	927,257	419,833	958,570	5,894,759
1925-26.....	47,207,090	15,905,937	6,734,785	7,188,933	4,004,193	1,233,358	304,631	926,518	6,116,467
1926-27.....	52,050,726	16,401,680	7,157,881	8,765,269	4,223,154	1,446,581	724,052	896,279	6,181,947
1927-28.....	56,157,945	17,809,433	7,947,410	8,747,072	4,869,153	1,734,914	542,139	1,078,859	6,019,469
1928-29.....	53,968,370	16,431,792	8,092,054	9,107,220	4,937,329	1,730,755	413,285	1,169,259	6,033,656
1929-30.....	56,519,445	18,235,516	8,757,358	8,080,039	5,327,858	1,821,290	784,868	1,526,019	6,189,689
1930-31.....	63,702,774	18,532,422	10,256,857	9,782,386	5,841,304	2,046,013	845,860	1,321,065	5,930,208
1931-32.....	\$59,814,076	\$16,114,753	\$11,450,225	\$9,328,282	\$5,431,493	\$1,937,960	\$582,764	\$1,372,004	\$5,768,900

Sources of data:

Computations by author based on: "Financial transactions;" and Budgets and Financial Reports of California counties on file at the Bureau of Public Administration, University of California, Berkeley.

tion, which for the 54 counties has expanded from approximately 15 million dollars in 1914-15 to four times that figure or approximately 60 millions in 1931-32. The greatest *relative* (percentage) increases have taken place in expenditures for health and sanitation and recreation, two much less important items. These in 1929-30 were approxi-

TABLE 3
INDEXES OF EXPENDITURES OF 54 CALIFORNIA COUNTIES BY MAJOR ITEMS

Fiscal year	Educa- tion	High- ways	Charities and correc- tions	General govern- ment	Protec- tion to persons and property	Health and sanitation	Recreation	Miscel- laneous	Interest
1914-15.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1915-16.....	99.9	128.3	109.2	95.0	112.9	67.2	120.1	49.4	122.2
1916-17.....	104.6	118.3	123.4	101.4	117.2	91.3	94.6	26.1	146.4
1917-18.....	108.1	127.1	132.5	90.1	131.8	166.6	175.9	73.8	158.1
1918-19.....	111.2	103.8	146.6	109.3	131.2	262.7	182.2	202.5	169.9
1919-20.....	151.2	127.4	173.9	115.7	148.1	370.1	226.7	274.5	199.3
1920-21.....	252.3	214.2	199.2	131.4	171.7	450.0	317.6	101.6	271.7
1921-22.....	271.5	198.3	222.7	124.2	186.1	474.0	414.2	42.8	356.1
1922-23.....	323.2	175.3	243.6	140.8	214.7	459.4	667.2	73.3	438.8
1923-24.....	332.3	164.6	290.5	148.0	234.9	422.0	756.0	70.6	448.1
1924-25.....	307.7	161.0	285.8	150.2	218.7	567.9	932.1	60.8	469.4
1925-26.....	320.3	161.3	296.2	147.0	232.4	755.3	676.3	58.8	487.1
1926-27.....	353.2	166.3	314.8	179.2	245.1	885.9	1,607.4	56.8	492.3
1927-28.....	381.1	180.6	349.6	178.9	282.6	1,062.5	1,203.6	68.4	479.3
1928-29.....	366.2	166.7	355.9	186.2	286.6	1,060.0	917.5	74.1	480.5
1929-30.....	383.5	184.9	385.2	165.2	309.3	1,115.4	1,742.5	96.8	492.9
1930-31.....	432.3	188.0	451.1	200.0	339.1	1,253.0	1,877.9	83.8	472.2
1931-32.....	405.9	163.4	503.6	190.7	315.3	1,186.9	1,293.8	87.0	459.4

Source of data: Computations by author based on table 2.

mately twelve times the 1914-15 level (table 3). Among the larger items of expenditure, charities and corrections have shown the largest relative increase, standing in 1931-32 at about five times the 1914-15 level. County expenditures for highways show only slight increase during this period and from 1920-21 to 1924-25 an actual decrease. This is not due, however, to an actual lessening of highway expenditures, but rather to extensive assumption by the state of the expense of highway construction and maintenance.

THE TREND IN EDUCATIONAL EXPENDITURE

Expenditure for education, with rare exceptions, has increased steadily throughout the period under consideration. During the years immediately following 1914-15, the increase was relatively slight, however, and until the fiscal year 1919-20 did not exceed the relative increase in all county expenditures for the 54 counties (tables 2 and 3 and fig. 3). Beginning with the latter year, however, there was a sharp upturn in

the expenditure level for this item which carried it, by 1922-23, to approximately 47.5 million dollars or to more than 300 per cent of the 1914-15 level. This was by far the most striking increase in any primary

INDEXES OF COUNTY EXPENDITURES FOR VARIOUS COUNTY SERVICES AND FUNCTIONS
IN 54 COUNTIES, 1914-15 TO 1931-32. 1915 = 100

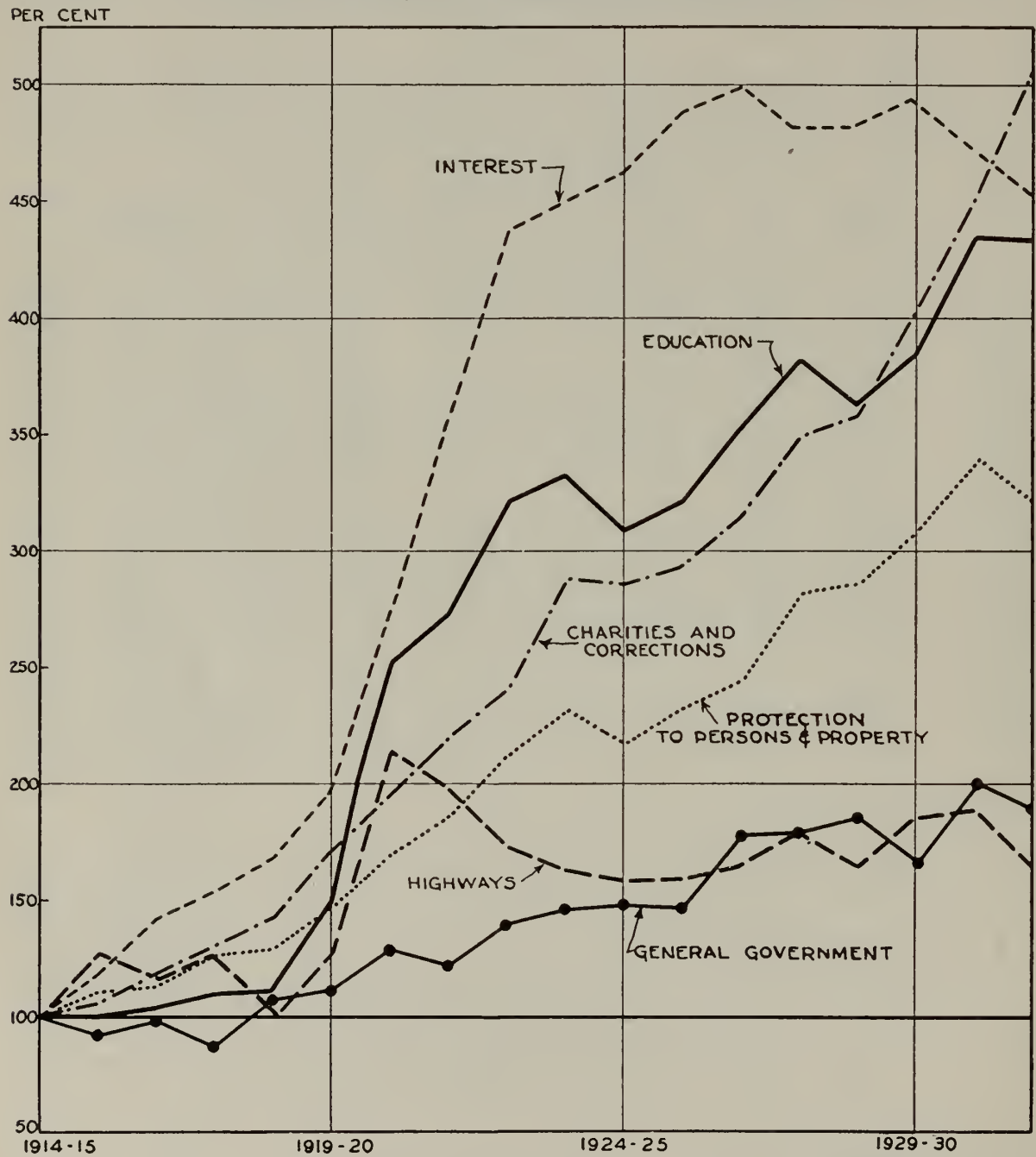


Fig. 2.—The above figure compares the increases in county expenditures for the more important of the services and functions of California counties. Expenditures for interest on indebtedness and charities and corrections, it will be noticed, show the greatest relative increase among the various items. (Data from table 3.)

item of expenditure of major importance during the period under consideration. Something of its character is to be gleaned from a comparison with expenditures for interest and indebtedness (table 3 and fig. 8). This item also showed a marked increase during the same period. Although a considerable increase in highway expenditures occurred at this

time, a close comparison of the trend in educational expenditure and that of interest on indebtedness shows that the former was apparently in

THE INDEX OF EXPENDITURE FOR EDUCATION COMPARED WITH THE INDEX OF ALL EXPENDITURE IN 54 COUNTIES, 1914-15 TO 1931-32. 1915 = 100

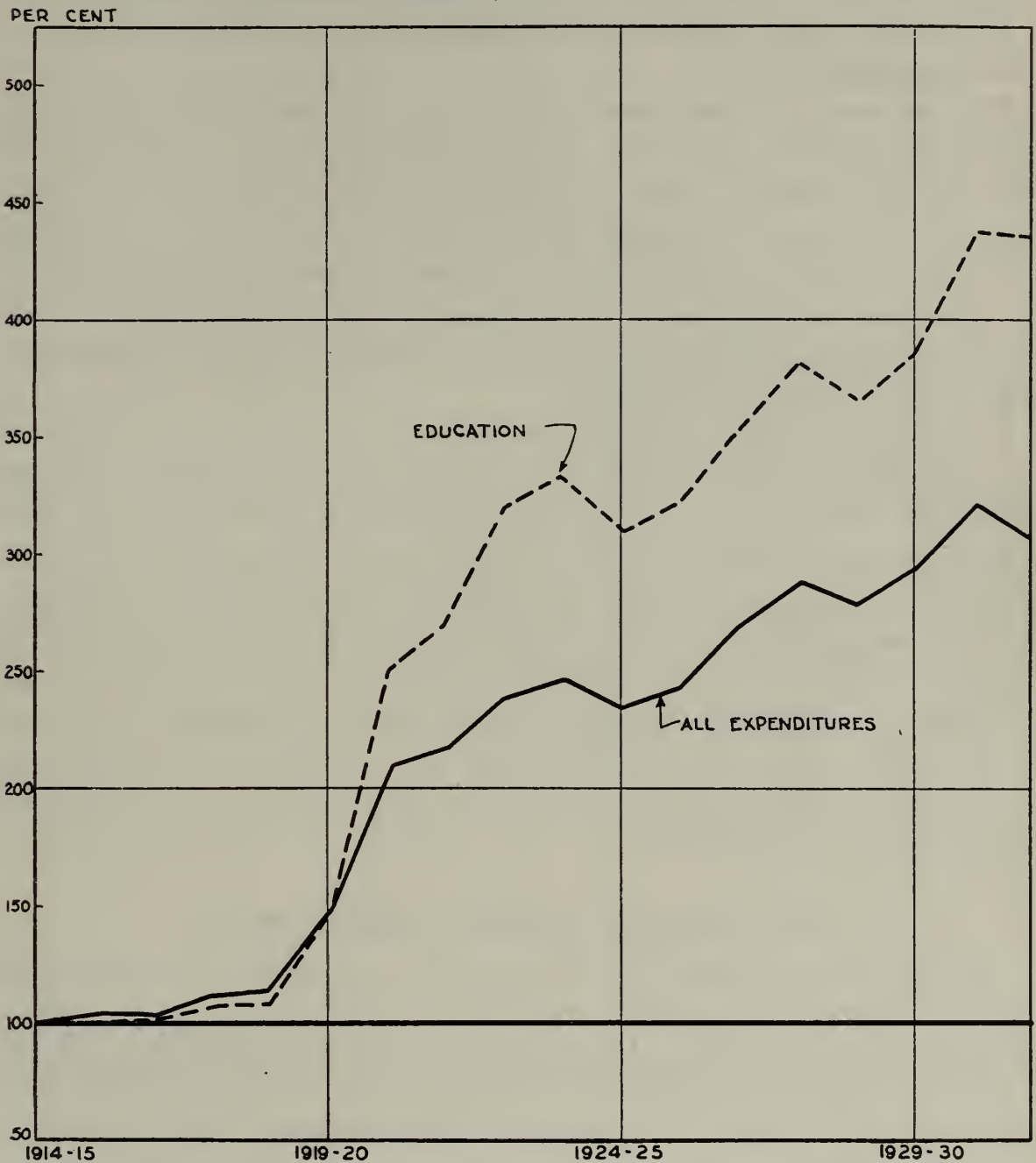


Fig. 3.—Expenditure for education by California counties increased more rapidly than did all county expenditures during the period from 1914-15 to 1931-32. (Data from table 3.) In this connection it should be recognized, however, that this is an expenditure which tends to increase with the number of individuals served; whereas certain types of county expenditure do not change greatly with increases in population. During this period population and numbers of pupils in the schools have practically doubled.

large part responsible for the latter. Increased salaries, larger attendance, and added services, as well as increases in the state apportionment for educational purposes, undoubtedly played an important part in increasing expenditure for education. There is little question, however,

that the demand for new buildings and other permanent equipment, partly restrained by shortages and high costs of materials during the War, was a major factor. Bond issues, which raised the annual disbursement for interest on indebtedness from approximately 2 million dollars in 1918-19 to approximately 5.5 million dollars in 1922-23, were a major factor in paying the bill.

The increase in educational expenditure has been at a much more moderate rate since 1923-24. In fact, expenditures for 1924-25 and 1925-26 were slightly under the 1923-24 level. By 1931-32, however, another 70 per cent of increase over the 1914-15 level had been added. An interesting point is that this later increase has been unaccompanied by any significant increase in the payments for interest on indebtedness. Throughout this period, educational expenditures stood well above the general level of increase (fig. 3).

It is important to recall that not all of the increase in educational expenditure from \$14,736,762 for the 54 counties in 1914-15 to \$59,814,076 in 1931-32 was provided by the general property tax or local revenue sources, although these did contribute a major share of the increment. State apportionment of elementary and high school funds in 1914-15 amounted to approximately \$3,735,000 and by 1920-21 had increased to approximately \$4,530,000. An increase in the rate of apportionment, as well as the increase in population, brought the state's contribution to \$10,191,000 in 1924-25 with a further increase to approximately \$12,165,000 in 1929-30. There was an increase of still another million dollars to 1931-32.¹¹

THE TREND IN HIGHWAY EXPENDITURE

During the past decade the importance of the county as a source of funds for financing highways has steadily declined. The state's participation in this activity has increased enormously during this time. Table 3 and figure 4 pertain only to the expenditures made by the counties. In the peak year of 1920-21, expenditures for highways stood at slightly more than 21 million dollars or about 215 per cent of the 1914-15 level. Since 1924-25 they have ranged between 16 million and 18.5 million dollars or from 160 to 190 per cent of the 1914-15 level.

This virtually reverse trend in expenditure for roads does not indicate, however, that there has been any decline in the volume of construction or, otherwise expressed, in the volume of public services in the form of highway improvement that has been made available during this period.

¹¹ Data from: California Office of Controller. Annual report of financial transactions of municipalities and counties of California, annual issues, 1915 to 1932. California State Printing Office, Sacramento. (This publication is hereafter cited as "Financial transactions.")

Rather it indicates the gradual displacement of the county by the state from the position of public "road-builder." When county expenditures reached their peak of \$21,116,501 in 1920-21, the expenditures of the

THE INDEX OF EXPENDITURE FOR HIGHWAYS COMPARED WITH THE INDEX OF ALL EXPENDITURE IN 54 COUNTIES, 1914-15 TO 1931-32. 1915 = 100

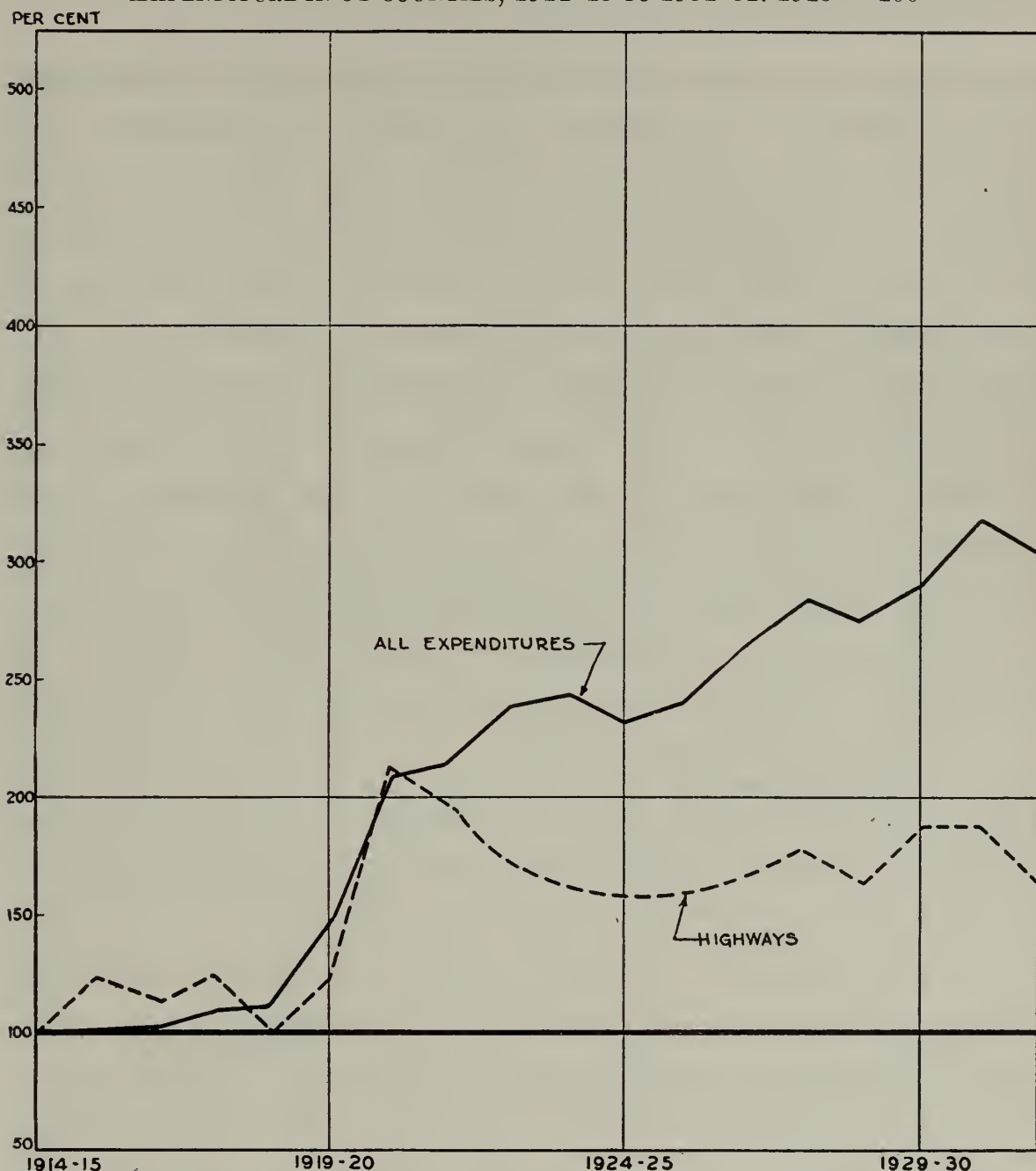


Fig. 4.—Expenditure for highways by California counties increased less rapidly than all county expenditures, reaching its peak for the period shown in 1920-21. This slower rate of increase in highway expenditures should be interpreted in the light of extensive transfers of highway construction and maintenance expenditure to the state. (Data from table 3.)

California State Division of Highways from all funds amounted to \$8,868,248.¹² Although county highway expenditures had decreased \$5,001,748 by 1931-32, expenditures of the California State Division of

¹² California Department of Public Works Division of Highways. Eighth Biennial Report, p. 238. November, 1932.

Highways had increased by \$26,703,577 to this year or by more than five times the decrease in county expenditure. It is also to be recognized that an increasing share of the counties' decreasing highway expenditures was being provided by state subvention of gasoline and motor-vehicle tax funds during this period.

THE TREND IN EXPENDITURES FOR CHARITIES AND CORRECTIONS¹³

The movement in expenditures for charities and corrections since 1914-15 has been a particularly interesting one. This item or group includes the expenditure for the county physician, the county hospital, and the county almshouse, the probation officer and his court, the inmates of reform schools and homes for the feeble minded and insane, the care of indigent children and the maintenance of indigents outside of the almshouse. This last item in recent times has come to occupy a considerable place in the public mind under the more familiar and perhaps more appropriate title of "relief."¹⁴ Among all groups of expenditures, that for charities and corrections has shown the most consistent increase throughout the period under consideration (fig. 2). This increase, from a relative standpoint, has also been the greatest of any major county disbursement. In 1914-15 expenditures for charities and corrections by the 54 counties stood at approximately 2.3 million dollars (table 2). Six years later, in 1920-21, it had approximately doubled or was about 200 per cent of the 1914-15 level (table 3). By 1925-26, or in another five years, it had increased by approximately another 100 per cent of the 1914-15 level. Four years more added another increase of 100 per cent of the 1914-15 level, bringing this expenditure to approximately four times the 1914-15 expenditure in the fiscal year 1929-30, or to twice the expenditure for 1920-21. As might be expected, further heavy increases occurred in 1930-31 and 1931-32 bringing expenditures in the latter year to about five times the 1914-15 level. Expenditure in 1931-32 was about 11.5 millions as compared with 2.3 millions in 1914-15.

That an increasing expenditure under this heading is not in any way peculiar to periods of depression is significant. The depression of 1921 is wholly unreflected in the regular increase in this expenditure during the period from 1918-19 to 1923-24 (fig. 5).

In relating the increase in expenditure for charities and corrections to

¹³ A more descriptive title would be "Charities, Hospitals, and Corrections," as employed by the Bureau of the Census to cover similar items in its revised series on financial statistics of state and local governments. See the first of this series: United States Department of Commerce Bureau of the Census. Financial statistics of state and local governments, 1931, Virginia. p. 1-45. 1933.

¹⁴ In the State Controller's classification, which is followed here, expenditures for jails since 1913-14 have been included under "protection to persons and property" rather than under "charities and corrections."

the general increase in county expenditures, it should be remembered that this item—important though it is—does not comprise anything like a predominant part of the whole. Even in 1931-32, a year when this

THE INDEX OF EXPENDITURES FOR CHARITIES AND CORRECTIONS COMPARED WITH THE INDEX OF ALL EXPENDITURES IN 54 COUNTIES, 1914-15 TO 1931-32.
1915 = 100

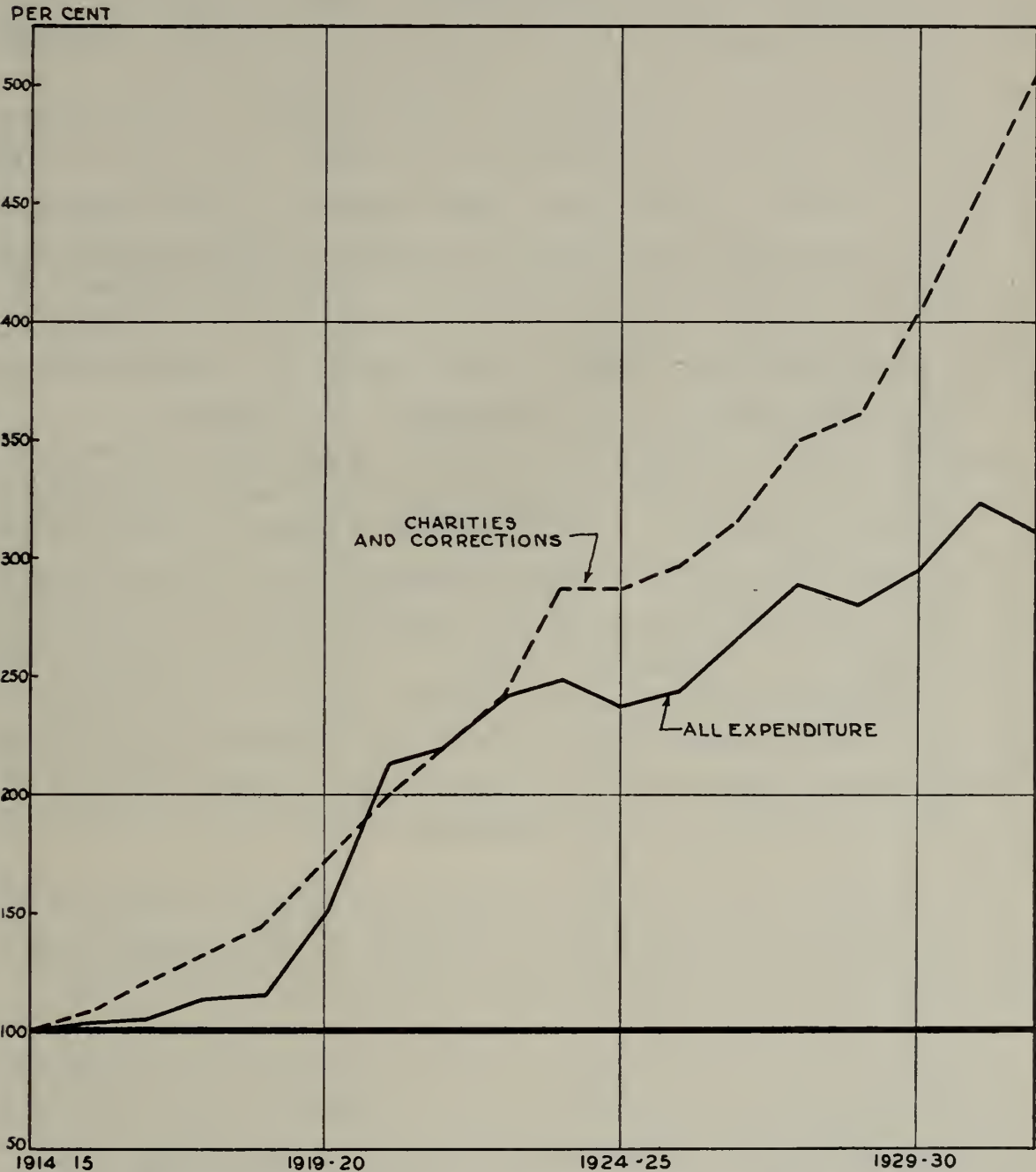


Fig. 5.—Expenditures for charities and corrections have shown a regular and rapid increase during the period considered which substantially exceeded that for all expenditures combined. (Data from table 3.)

expenditure showed a large increase in the face of slightly decreasing expenditures for other groups, it comprised but slightly more than one-tenth of county expenditure as a whole. The part played by the various county expenditures in contributing to the total increase is indicated later.

THE TREND IN EXPENDITURE FOR GENERAL GOVERNMENT

Expenditure for general government falls in a somewhat different category from the other expenditure groups. The concern here is with a type of expenditure which in considerable part contributes but indirectly to the services for which county governments exist. Expenditures for the assessing of property, the levying and collecting of taxes and administering of county finances, and the holding of elections for county officers concerned with the above activities, for example, could scarcely be justified, except as they make possible the performance of the actual services such as education, provision of health services, and institutions. In other words, expenditure for general government represents in considerable degree the expenditure for the *overhead* in county government—that which makes possible the performance of other county functions, but which contributes only indirectly.

Needless to say, the above characterization of general government expenditure is not true of all the expenditures grouped under this heading. The counties' contribution to administration of justice, included under this heading, is for a direct service; in fact it is one of the most venerable of the functions not alone of the American county, but also of its English ancestor.¹⁵ Legislative functions of the Board of Supervisors must be considered a direct service and also certain of the activities of the county clerk. Modern trends in size and architectural magnificence of the county courthouse lead inevitably to the conclusion that expenditure in this connection is more or less of a direct service to community pride.

The expenditure for general government has partaken of the prevailing upward trend, although with the exception of highways the increase here has been the least marked of that for any group.¹⁶

The increase in expenditure for general government has been fairly uniform, although subject to some year-to-year variation, particularly under the influence of expenditures for elections in certain years and capital outlays for courthouses in certain counties from time to time. In 1914–15 the expenditure for general government by the 54 counties was slightly less than 5 million dollars (table 2), or a little more than double the expenditure for charities and corrections. The increase during the War years was relatively slight, in fact, the expenditures for general

¹⁵ Farlie, John A., and Charles M. Kneir. County government and administration. p. 8–12. Century Co., New York. 1930.

¹⁶ As indicated by table 3, an actual decrease has occurred in the small group of miscellaneous expenditures. The changing constituents of this group and its mixed character have led to its omission from present comparisons. See page 24.

government in the fiscal year 1917-18 were smaller than in 1914-15. A fairly steady increase began in 1918-19 which was carried through the following decade. In 1924-25 this expenditure was approximately 7.3

THE INDEX OF EXPENDITURE FOR GENERAL GOVERNMENT COMPARED WITH THE INDEX OF ALL EXPENDITURES IN 54 COUNTIES, 1914-15 TO 1931-32. 1915 = 100

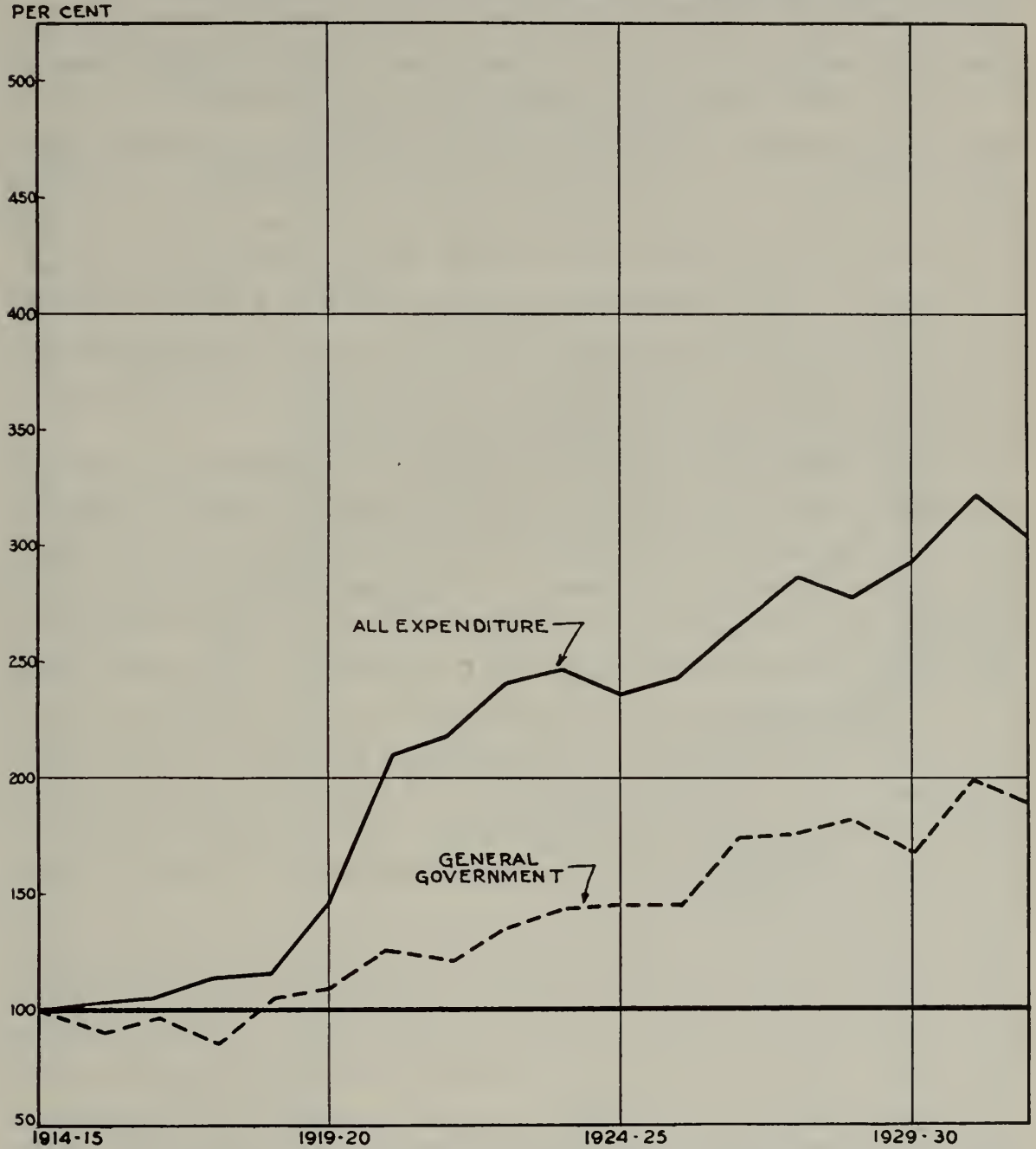


Fig. 6.—Expenditure for general government, while showing a slower rate of increase than that for all expenditure, has approximately doubled during the period considered. (Data from table 3.)

million dollars or 150 per cent of the 1914-15 level (table 3). In the same year, expenditures for charities and corrections amounted to about 6.5 millions which, however, was 285 per cent of the amount expended in the base year for this group of services. A high point of approximately 9.8 million dollars for general government was reached in 1930-31 (fig. 6) which was approximately 200 per cent of the 1914-15 level. However,

election expenditures in this year (1930-31) were well in excess of a million dollars, as compared with approximately \$125,000 for the preceding year. In 1930-31 expenditures for charities and corrections actually exceeded expenditures for general government, standing at about 450 per cent of the 1914-15 level.

By observing the trend of expenditures for general government as a whole, there appear to be two important reasons for the slower increase in this item. As far as these expenditures have the character of *overhead*, there is some reason for believing that an increase in population (and wealth) results in a somewhat more efficient utilization of existing machinery. Within certain limits there has come to be a certain nucleus of county officialdom which every county, large or small, must support. An increase in county population may thus result in a fuller utilization of existing organization at no great increase in cost. It would appear that a certain, if unknown, part of the slower increase in expenditures for general government may be related to this situation.

A second reason for the slower increase in expenditures for general government rests with the more obvious fact that there has been a smaller increase in the demands for higher levels of public service in this item. Such part of the general increase in county-expenditure levels as has resulted from new demands for public services or a higher standard in existing services has had but little effect on this item. Some enthusiasm, it is true, can be generated in a campaign for a new courthouse, but one for more or better assessing, tax collecting, or auditing, has small popular appeal indeed. Even the machinery for administration of justice has become cooled in an earlier mold and little serious demand for improvement or revision has been made beyond that necessary to meet the needs of mere "volume of business."

The slower increase in expenditure for general government, it may be noted, does not bear proof of comparative economy in past administration of general government nor of the justifiability of present levels of expenditure. The two reasons for the slower increase which have been noted are unrelated to any efforts towards economy in this item of expenditure. Subsequent analysis indicates, in fact, that the present adjustment of general government or *overhead* to other county services and to population is far from efficient in many California counties.

THE TREND IN EXPENDITURE FOR PROTECTION TO PERSONS AND PROPERTY

The classification of services for "Protection to Persons and Property," as employed by the Controller, is a rather general one and covers, as a matter of fact, not one but two groups of services. The first of these

THE INDEX OF EXPENDITURE FOR PROTECTION TO PERSONS AND PROPERTY COMPARED WITH THE INDEX OF ALL EXPENDITURES IN 54 COUNTIES, 1914-15 TO 1931-32. 1915 = 100

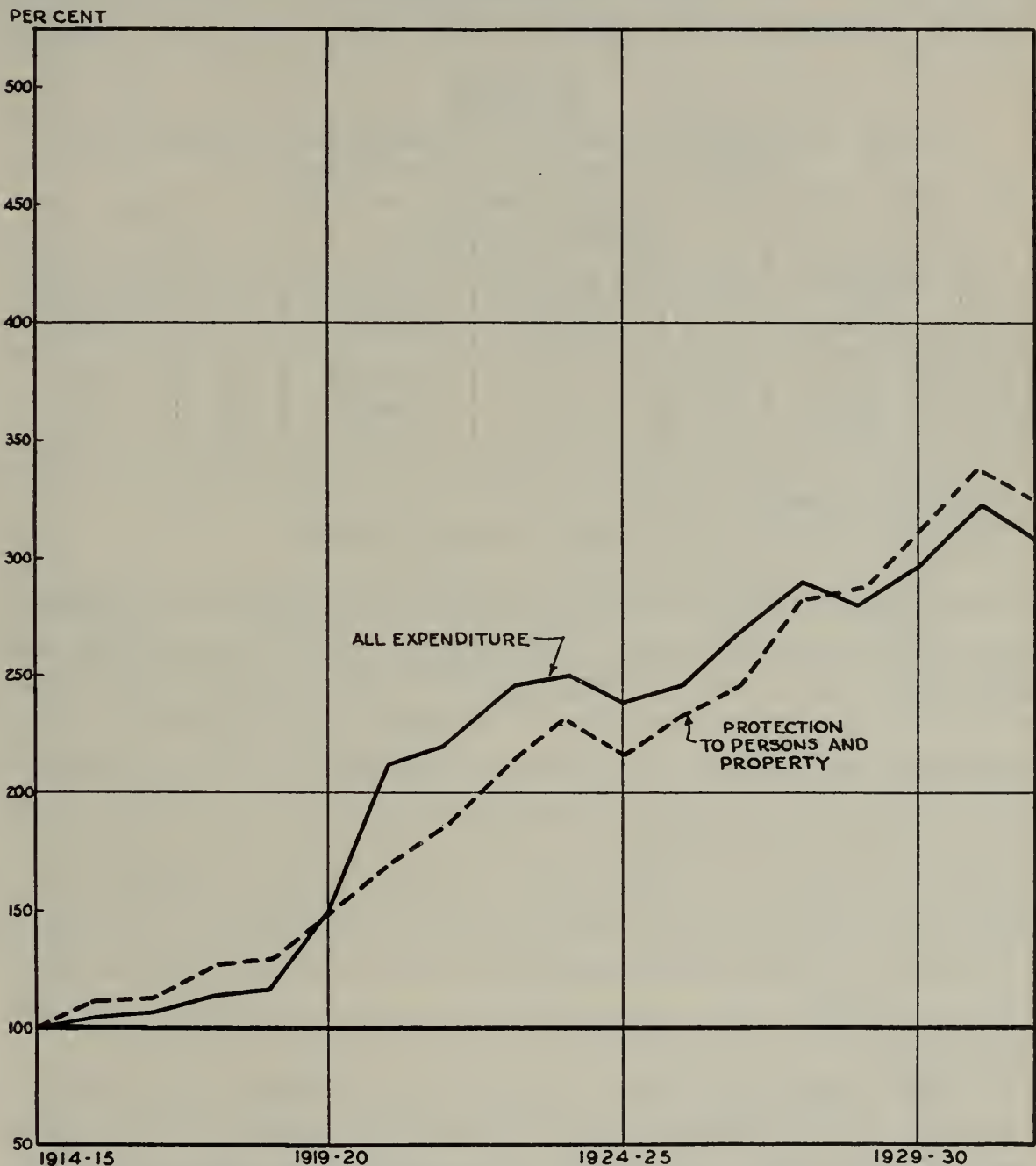


Fig. 7.—The increase in expenditure for protection to persons and property has approximated the increase in all expenditures since 1914-15, standing in 1931-32 at approximately 315 per cent of the 1914-15 level. (Data from table 3.)

includes the support of the sheriff, constables, and jails. Aside from the civil functions of the first-mentioned officer, it largely covers the enforcement of criminal laws. The second group of services covers the multitude

of activities of the county in protecting property, or, more strictly speaking, improving economic welfare within its borders.¹⁷ It is desirable that the dual character of this grouping—as well as the somewhat miscellaneous character of the second part—be kept in mind in considering the trend in expenditure levels.

The relative increase in the expenditure by the 54 counties for protection to persons and property from 1914–15 to 1931–32 has been slightly greater than for all expenditures combined (fig. 7). The upward trend, like that for charities and corrections, has been uniform and consistent

TABLE 4
COMPARATIVE INCREASE IN GROUPS OF EXPENDITURES CLASSIFIED UNDER
PROTECTION TO PERSONS AND PROPERTY
(54 counties)

Year	Sheriff's office, jails, and constables	Per cent of 1914-15	Per cent of total for protection to persons and property	Other expenditures for protection to persons and property*	Per cent of 1914-15	Per cent of total for protection to persons and property
1914-15	\$ 854,987	100	50	\$ 867,842	100	50
1922-23	1,430,455	167	39	2,268,459	261	61
1931-32	\$2,225,342	260	41	\$3,206,152	369	59

* See table 18 for items.

Source of data: Computations by author based on "Financial transactions."

over the period studied; in fact, but two years, 1924–25 and 1931–32, show a decline from the years preceding. In 1914–15, expenditure was approximately 1.7 million dollars (table 2). By 1922–23 it had a little more than doubled, as compared with educational expenditure which had more than tripled by this year and expenditures for charities and corrections which were approximately three times their 1914–15 level. Between 1922–23 and 1930–31 expenditure for protection to persons and property increased by slightly over 2 million dollars, standing in the latter year at about 340 per cent of the base year (table 3). In 1931–32 expenditures for this item were 315 per cent of the 1914–15 level representing a slightly more than threefold increase during the eighteen-year period.

In 1914–15 about \$850,000 or approximately 50 per cent of the expenditures by the 54 counties for protection to persons and property were devoted to the support of the sheriff's office, maintenance of the county jail and inmates, and payment of constables. In the intervening years to 1931–32, expenditures for these purposes have increased, stand-

¹⁷ See pages 70 to 71. A partial list of these activities for purposes of illustration includes such services as the provision of county warden, farm advisor, agricultural commissioner, bee inspector, inspector of weights and measures, and forest and fire protection.

ing at \$1,430,455 or 167 per cent of the 1914-15 level in 1922-23 and at \$2,225,342 or 260 per cent of the base year in 1931-32. Expenditures for the multitude of services to the economic life and welfare of the county, however, have shown a more rapid increase than those for law enforcement and control of crime.¹⁸ In 1914-15 they approximately equaled expenditures for the sheriff's office, etc., but by 1922-23 they were approximately \$750,000 greater and by 1931-32 nearly \$1,000,000 greater. Figures for these three years which are illustrative of the general trend are shown in table 4. The increase in county expenditure resulting from extension of county inspection, regulatory, and educational services, particularly for agriculture, appear to be responsible for at least the difference in increase between the two groups shown in table 4.

THE TRENDS IN HEALTH, RECREATIONAL, AND MISCELLANEOUS EXPENDITURES

By far the greatest relative increase among the various groups of county expenditures has taken place in two comparatively minor items of expenditure. Expenditures for health and sanitation covering support of the health officer,¹⁹ control of contagious disease, maintenance of a tubercular hospital in certain cases, the eradication of disease carriers, sanitary inspection, and other services, have increased by about twelve-fold since 1914-15 (tables 2 and 3). There is little doubt that increased levels in this item are very largely a result of increased levels of service, although it would seem reasonable that, in contrast with such an item as general government, increasing density of population may bring more than proportional increase in the expenditure necessary to maintain high standards of health protection.²⁰

Expenditure for recreation, while still a relatively insignificant part of the total, has also shown a large relative increase during the period

¹⁸ Together, of course, with those for the civil functions of the sheriff's office.

¹⁹ In certain counties many of the services here listed are incorporated into the activities of the "County health unit," a full-time branch of the county government charged with public activities relating to the health of the residents. See: California Department of Public Health. Thirty-first Biennial Report, July 1, 1928, to June 30, 1930. p. 11. 1931.

²⁰ That this is apparently the case is strikingly illustrated by a comparison of rates of population increase and rates of increase in expenditure for protection of health in the rural and metropolitan counties. In 1930, population in the three metropolitan counties of Los Angeles, Alameda, and San Diego was approximately 208 per cent of the 1920 level, representing an increase of 108 per cent; in the remaining 54 counties it was approximately 141 per cent, or an increase of 41 per cent. For 1929-30, health expenditure in the metropolitan counties was 1,627 per cent of the 1919-20 level, an increase of 1,527 per cent; in the remaining counties it was 301 per cent of 1919-20, or an increase of 201 per cent. Thus, during the period in question, each 1 per cent increase in population in the densely populated counties coincided with a 14 per cent increase in health expenditure; in the other counties a 1 per cent increase in population coincided with but a 5 per cent increase in expenditure for health services.

studied. This item shows considerable fluctuation from year to year under the influence of capital outlays for parks or other county recreational facilities.

THE INDEX OF EXPENDITURE FOR INTEREST ON INDEBTEDNESS COMPARED WITH THE INDEX OF ALL EXPENDITURES IN 54 COUNTIES, 1914-15 TO 1931-32. 1915 = 100

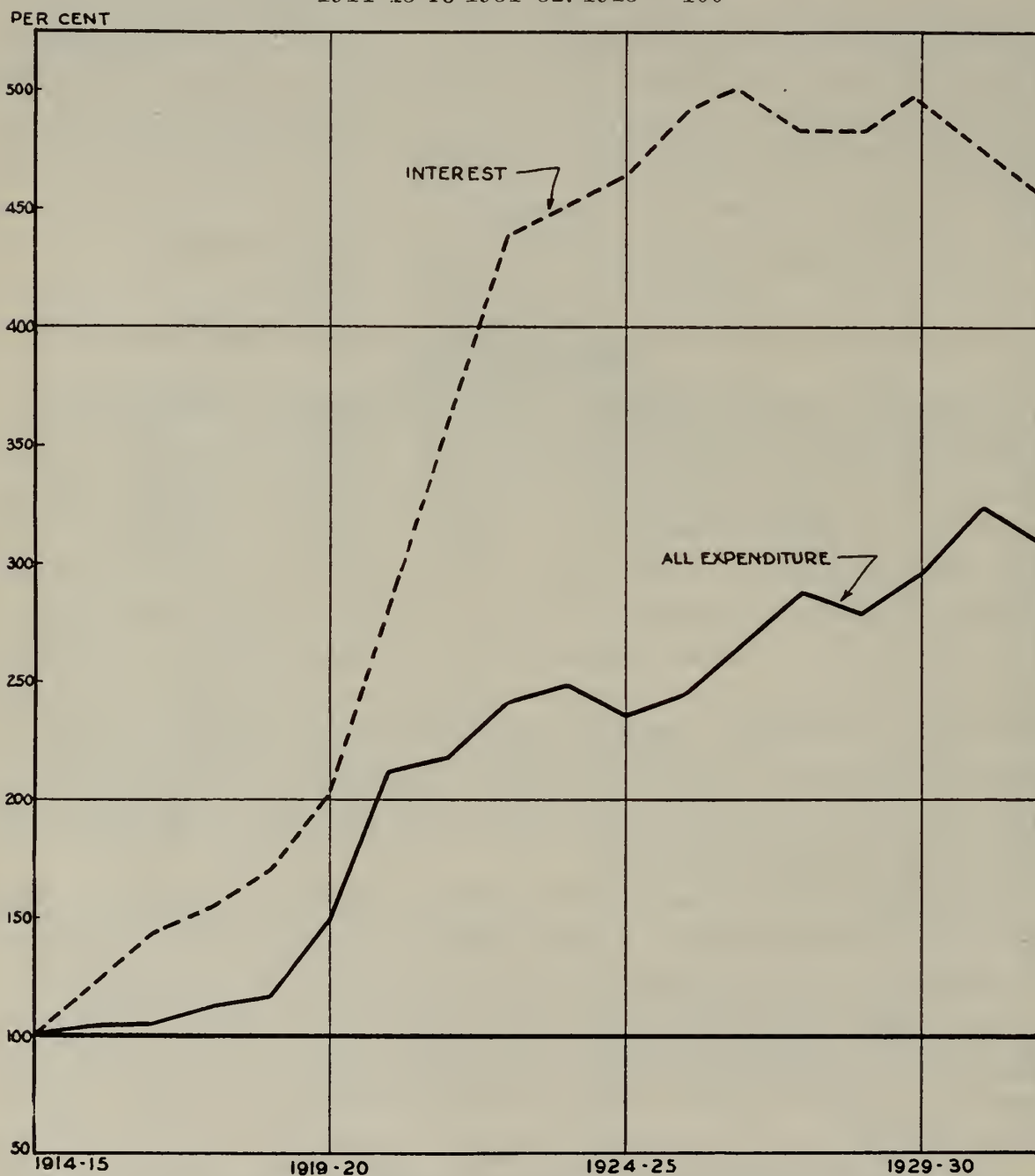


Fig. 8.—The increase in expenditure for interest on indebtedness has been greater than that for any other major item of county expenditure. Much of the increase in this expenditure is the result of increased school district indebtedness and it corresponds closely to the increase in educational expenditure shown in figure 3. (Data from table 3.)

Miscellaneous expenditure covering county advertising, exhibits at fairs, "payments to correct errors" and other items has fluctuated widely during the period under consideration but has shown no general increase. As earlier mentioned, this group has suffered the inevitable varia-

tion in composition which is the lot of a “catch-all” grouping, and comparisons over a period of years are without significance. It may be noted that it is of relatively small importance in the total, amounting to but little more than 1 per cent of all expenditure.

THE TREND IN EXPENDITURE FOR INTEREST ON INDEBTEDNESS

The increasing levels of bonded indebtedness of California counties are sharply reflected in the course of payments of interest on indebtedness in the past eighteen years. In 1914–15 expenditure for interest on indebtedness by the 54 counties (including district indebtedness, pre-

TABLE 5
COMPARATIVE INCREASE IN COUNTY AND DISTRICT* INDEBTEDNESS,
1917–18 to 1924–25
(54 counties)

Year	Interest on district bonds	Interest on county bonds
1917–18.....	\$ 892,926	\$1,092,378
1918–19.....	1,000,206	1,133,751
1919–20.....	1,069,089	1,434,087
1920–21.....	1,417,225	1,995,311
1921–22.....	2,210,813	2,261,223
1922–23.....	3,102,557	2,408,210
1923–24.....	3,273,911	2,353,892
1924–25.....	\$3,926,599	\$1,968,160

* Primarily school and road districts. See page 105, Appendix A.
Source of data: Compiled by author from “Financial transactions.”

dominantly that of school districts²¹) amounted to approximately 1.25 million dollars (table 2 and fig. 8). By 1919–20 the annual payment for interest had approximately doubled. The increase in educational expenditures which began in earnest in the latter years was reflected in an even sharper increase in expenditures for interest (fig. 2), and for the next three years interest payments by the 54 counties expanded at the rate of about a million dollars a year. While interest on county indebtedness shared in the advance, district expenditures for interest showed an even more rapid increase (table 5). As previously indicated, this reflects the large portion of the increased indebtedness which was devoted to the financing of school construction.

Since 1922–23 the upward trend in expenditure for interest has been at a much slower rate; in fact, there has been little or no increase since 1926–27, and beginning with 1929–30, the trend in expenditure for this item has been definitely downward. There is little doubt that the peak in

²¹ See page 105, Appendix A.

indebtedness has been passed. Provided of course that new issues do not replace the maturities of 1919–20 to 1922–23 borrowing, there should be a further substantial decline. It will be agreed that this is one favorable omen at least in county finance.

TABLE 6
INCREASE IN ITEMS OF COUNTY EXPENDITURES AND PROPORTION OF TOTAL INCREASE
ATTRIBUTABLE TO EACH
(54 counties)
Classifications Concluded on Opposite Page

Year	Total increase in expenditures over 1914-15	Education		Highways		Charities and corrections		General government	
		Increase	Per cent of total in- crease	Increase	Per cent of total in- crease	Increase	Per cent of total in- crease	Increase	Per cent of total in- crease
1915-16	\$ 2,403,940	\$ -10,889	-0.5	\$2,791,881	116.1	\$ 208,417	8.7	\$-244,640	-10.2
1916-17	2,780,544	673,280	24.2	1,807,982	65.0	532,289	19.1	69,276	2.5
1917-18	5,120,200	1,186,143	23.2	2,671,258	52.2	737,703	14.4	-482,705	-9.4
1918-19	6,870,168	1,651,852	24.1	370,454	5.4	1,059,138	15.4	453,388	6.6
1919-20	18,017,586	7,544,552	41.9	2,701,798	15.0	1,680,806	9.3	765,231	4.3
1920-21	41,578,417	22,447,257	54.0	11,256,378	27.0	2,254,829	5.4	1,533,561	3.7
1921-22	43,482,291	25,274,015	58.1	9,688,988	22.3	2,789,601	6.4	1,181,434	2.7
1922-23	52,220,629	32,887,675	63.0	7,419,826	14.2	3,265,547	6.3	1,995,764	3.8
1923-24	54,324,237	34,228,717	63.0	6,366,571	11.7	4,330,013	8.0	2,345,205	4.3
1924-25	50,508,785	30,613,009	60.6	6,010,823	11.9	4,223,797	8.4	2,457,037	4.9
1925-26	53,096,631	32,470,328	61.1	6,045,814	11.4	4,461,170	8.4	2,298,104	4.3
1926-27	61,322,288	37,313,964	60.8	6,541,557	10.7	4,884,266	8.0	3,874,440	6.3
1927-28	68,381,113	41,421,183	60.6	7,949,310	11.6	5,673,795	8.3	3,856,243	5.6
1928-29	65,358,439	39,231,608	60.0	6,571,669	10.0	5,818,439	8.9	4,216,391	6.5
1929-30	70,716,801	41,782,683	59.1	8,375,393	11.9	6,483,743	9.2	3,189,210	4.5
1930-31	81,733,608	48,966,012	59.9	8,672,299	10.6	7,983,242	9.8	4,891,557	6.0
1931-32	\$75,275,176	\$45,077,314	59.9	\$6,254,630	8.3	\$9,176,610	12.2	\$4,437,453	5.9

Source of data: Computations by author based on table 2.

COMPARATIVE IMPORTANCE OF THE INCREASES IN EXPENDITURE
FOR VARIOUS ITEMS

In the foregoing analysis of the trends in the various items of county expenditures, major emphasis has been placed upon the rate of increase in these individual items. Equally significant with this, from the standpoint of interpreting the increase in county expenditures as a whole, is the part which the increase in each item has played in contributing to the total increase, that is, the proportion of the increase in total expenditures which is to be charged to increased expenditure for education, highways, and other items.

The total increase in expenditures of the 54 counties over 1914–15 in each subsequent year has been set forth in table 6. This total has then been divided among the various individual items accordingly as they

have been responsible for the increase. An examination of the table and of figure 9 leaves little doubt as to the items of expenditure which must bear major responsibility for the increase in total expenditure levels of the 54 counties during this period. The increase in educational expenditure,

TABLE 6—(Concluded)

INCREASE IN ITEMS OF COUNTY EXPENDITURES AND PROPORTION OF TOTAL INCREASE
ATTRIBUTABLE TO EACH
(54 counties)

Protection to persons and property		Health and sanitation		Recreation		Miscellaneous		Interest—county and district bonds	
Increase	Per cent of total increase	Increase	Per cent of total increase	Increase	Per cent of total increase	Increase	Per cent of total increase	Increase	Per cent of total increase
\$ 222,547	9.3	\$— 53,612	−2.2	\$ 9,031	0.4	\$−797,686	−33.2	\$ 278,891	11.6
296,214	10.7	− 14,190	−0.5	− 2,437	−0.1	−1,164,774	−41.9	582,904	21.0
548,567	10.7	108,715	2.1	34,195	0.7	− 413,173	− 8.1	729,497	14.2
538,084	7.8	265,636	3.9	37,030	0.5	1,616,436	23.5	878,150	12.8
827,814	4.6	440,971	2.4	57,089	0.3	2,751,956	15.3	1,247,369	6.9
1,234,437	3.0	571,421	1.4	97,998	0.2	25,807	0.1	2,156,729	5.2
1,482,663	3.4	610,723	1.4	141,540	0.3	− 902,902	− 2.0	3,216,229	7.4
1,976,089	3.8	586,796	1.1	255,465	0.5	− 421,493	− 0.8	4,254,960	8.1
2,324,567	4.3	525,800	1.0	295,505	0.5	− 464,137	− 0.8	4,371,996	8.0
2,044,824	4.0	763,971	1.5	374,789	0.7	− 618,417	− 1.2	4,638,952	9.2
2,281,365	4.3	1,070,072	2.0	259,587	0.5	− 650,469	− 1.2	4,860,660	9.2
2,500,326	4.1	1,283,295	2.1	679,008	1.1	− 680,708	− 1.1	4,926,140	8.0
3,146,325	4.6	1,571,628	2.3	497,095	0.7	− 498,128	− 0.7	4,763,662	7.0
3,214,501	4.9	1,567,469	2.4	368,241	0.6	− 407,728	− 0.6	4,777,849	7.3
3,605,030	5.1	1,658,004	2.3	739,824	1.0	− 50,968	− 0.1	4,933,882	7.0
4,118,476	5.0	1,882,727	2.3	800,816	1.0	− 255,922	− 0.3	4,674,401	5.7
\$3,708,665	4.9	\$1,774,674	2.4	\$ 537,720	0.7	\$−204,983	− 0.3	\$4,513,093	6.0

while at a less rapid rate than that for certain other items, accounted for approximately 60 per cent of the total increase from 1914–15 to 1931–32, and the proportion of the increase chargeable to this item was even greater nine years earlier.

For a true understanding of the change in county expenditures for education it is necessary that the reader keep in mind not only the larger gross population now served by the schools, but also the fact that the average school pupil now carries his training farther in local institutions than was true a decade or more ago. High schools must now serve a much larger proportion than formerly of the pupils of school age, and in many counties junior colleges have been provided. These furnish a type of training that was not previously available locally.

Items or groups of expenditures other than for education have individually been responsible for but a relatively small part of the increase

in all expenditures over those of 1914-15. The increase in highway expenditure during the years following the World War accounted for about 15 per cent of the increase over 1914-15, but in 1931-32 only about 8 per cent of the total increase could be attributed to this service. As previously indicated, the major share of what was actually a large in-

TOTAL INCREASE IN COUNTY EXPENDITURES IN 54 COUNTIES OVER 1914-15 FOR
SELECTED YEARS, AND ITEMS OF EXPENDITURE RESPONSIBLE

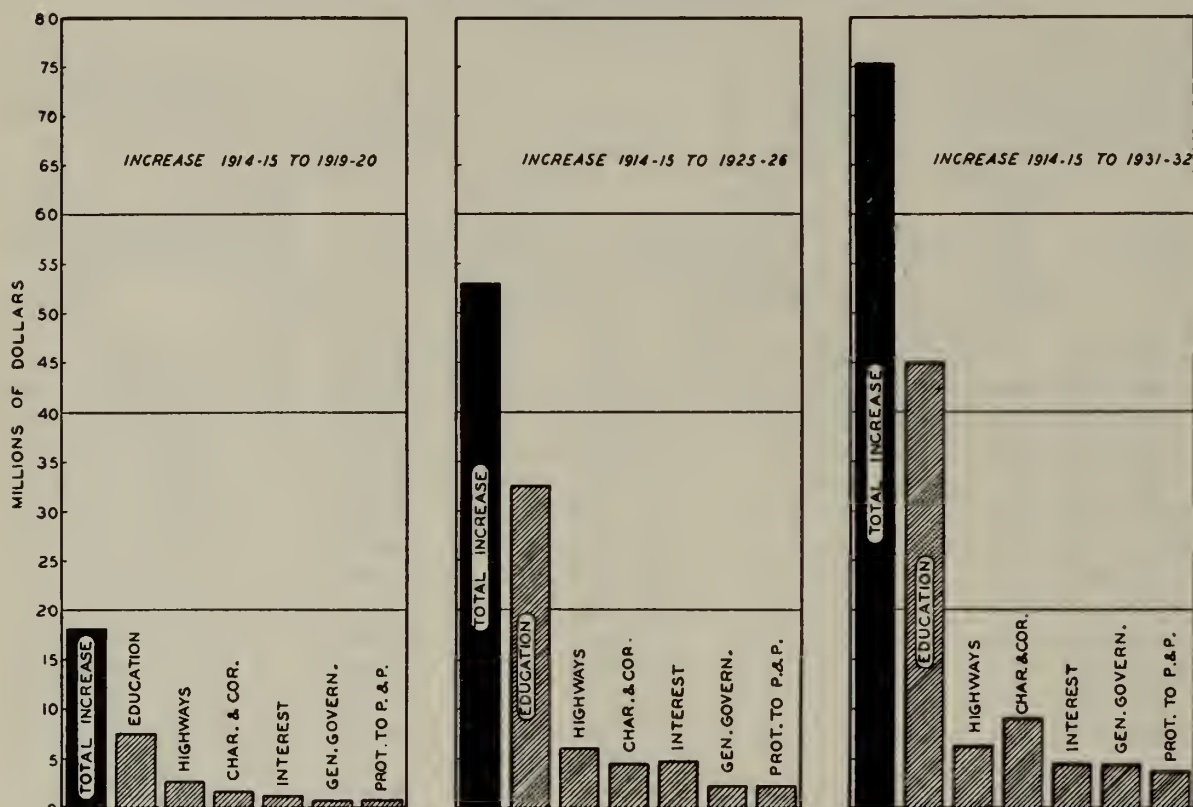


Fig. 9.—The above figure shows the total increase in expenditure from 1914-15 to 1919-20, 1914-15 to 1925-26, and 1914-15 to 1931-32, together with the increase in the individual items of expenditure which accounted for the total increase. (Data from table 6.)

crease in highway expenditure fell not upon the county but upon the state. The increase in expenditure for charities and corrections brought the total increase over 1914-15, explained by the increase in this item, to 12.2 per cent in 1931-32 as compared with 8.4 per cent in 1924-25. At the present time this item ranks second to education in the proportion of the total increase which it explains, although there is perhaps more danger of overestimating than underestimating the part which it has played in the general increase in county expenditure.

The influence which increased expenditure for general government has had upon the total increase has also been overestimated in many quarters. Increased expenditures for maintaining the central core of county organization account for less than 6 per cent of the total increase from 1914-15 to 1931-32 and for less than 4 per cent of the total increase

from 1914-15 to 1922-23. As indicated on page 20 this is not meant to imply that there has been a high, or any particular degree of efficiency in county administration, but rather that there is need for balanced emphasis in considering expenditures along various lines. In contrast to the unthinking charge that elected officials have been the personal beneficiaries of the increase in county expenditure, it is to be noted that had there been no increase whatever since 1914-15 in the branch of county government which supports the majority of elected officials, the increase in expenditure would have been but 6 per cent less to 1931-32.

The services of law enforcement and punishment of criminals together with the variety of activities devoted to the economic welfare of the county, which are all grouped under protection to persons and property, are responsible for approximately 5 per cent of the total increase in county expenditure from 1914-15 to 1931-32. Like the expenditure for charities and corrections, and for general government, the proportion of the total increase for which these activities are accountable has increased from the early twenties. Taken by itself, however, the increase in this item has played a relatively small part in the total increase.

Despite the rapidity of the increase in expenditure for protection of health and for recreation, these items, because of their small absolute amounts, have not contributed markedly to the general increase. The proportion of the increase from 1914-15 to 1931-32 chargeable to recreation was less than 1 per cent; the proportion chargeable to health and sanitation, although greater, was but 2.4 per cent.

In the years following the War the rapid increase in expenditure for interest on indebtedness brought this item to the point where it accounted for approximately 8 per cent of the total increase from 1914-15 to 1922-23. Expenditure for interest on indebtedness in the latter year was \$4,254,960 in excess of the 1914-15 level. By 1931-32, however, the increase over 1914-15 was but \$250,000 greater than for 1922-23, and with the general upward movement in other expenditures the proportion of the total increase over 1914-15 chargeable to expenditure for interest had fallen to 6 per cent. It has become customary in recent years to assume rapidly increasing levels of indebtedness on the part of governments. The corollary assumption to this, of course, has been that a considerable part of the increase in governmental expenditures is the result of increasing payments for service on indebtedness. The fixity of levels of governmental expenditure in recent years has been frequently justified by the preponderance of debt service within the total.

In recent years, as previously noted, new indebtedness has scarcely kept pace with maturities. That part of the increase in county expenditure over 1914-15 that is attributable to increased expenditure for inter-

est on indebtedness has not been a large part of the total and has been declining. To argue that the slowness with which expenditures have been adjusted downward in recent years is the result of the dominant position of fixed charges for interest and debt redemption is to rest the case on items comprising approximately 10 per cent of the total expenditures of the counties here considered.²²

THE PRESENT SITUATION IN COUNTY EXPENDITURES

To this point in the present study counties in the state have been treated as a unit—the removal of the three metropolitan counties representing the only deviation from this policy. Further, various expenditures of the county have been taken together in rather considerable groups with necessarily restricted consideration of the character of component parts. In passing now to a closer scrutiny of present-day county expenditure in California, a somewhat different phase of the study is entered upon. With the shortening of the period of time considered, it becomes possible to scrutinize with more care the variation in expenditure as between different counties, and particularly different groups of counties, in the state. Likewise, it becomes feasible to examine in more detail the character of certain individual items of expenditure which have hitherto been grouped together under “charities and corrections,” “general government,” “protection to persons and property,” and other headings.²³

A three-year average of expenditure covering the years 1929–30, 1930–31, and 1931–32 has been the chief data resource for this section. The necessity for extending the analysis over a three-year period rests largely in the character of the data, with the need for smoothing out the extraordinary expenditures of certain years. The assumption that a three-year average of county expenditure sufficiently distributes capital disbursements to give a fair representation of the ordinary expenditure situation for the various counties is, of course, purely arbitrary. It has proved, however, a workable and, on the whole, a valid approach. Attention has been drawn to the few cases where the influence of extraordinary expenditure upon the average might lead to erroneous inferences.²⁴

²² Under conditions prevailing before the summer of 1933 that part of the school expenditure which resulted from the counties' matching of state funds might also properly be regarded as a fixed charge together, of course, with the expenditure of the funds derived from the state. When the argument is intended to include these payments, it rests on a somewhat sounder basis.

²³ Expenditures for redemption of indebtedness have been included in the analysis in this section. See Appendix B, pages 106 to 107.

²⁴ Further details of the data as they relate to the analysis in this section are discussed in Appendix A, pages 102 to 105.

For the purpose of much of the analysis in this section, California counties have been divided into seven groups on the basis of population. Group limits have been established on the basis of a geometric progression from 5,000. Thus counties in group I have populations (1930

TABLE 7
CLASSIFICATION OF CALIFORNIA COUNTIES

Counties and groups of counties	Population (1930)	Counties and groups of counties	Population (1930)
Group I, 0-5,000:		GROUP IV (<i>Continued</i>)	
Alpine.....	241	Siskiyou.....	25,480
Mono.....	1,360	San Luis Obispo.....	29,613
Sierra.....	2,422	Butte.....	34,093
Trinity.....	2,809	Merced.....	36,748
Mariposa.....	3,233	Santa Cruz.....	37,433
Del Norte.....	4,739		
Group II, 5,000-10,000:		Group V, 40,000-80,000:	
Calaveras.....	6,008	Solano.....	40,834
Inyo.....	6,555	Marin.....	41,648
Lake.....	7,166	Humboldt.....	43,233
Plumas.....	7,913	Monterey.....	53,705
Modoc.....	8,038	Ventura.....	54,976
El Dorado.....	8,325	Stanislaus.....	56,641
Amador.....	8,494	Imperial.....	60,903
Tuolumne.....	9,271	Sonoma.....	62,222
Group III, 10,000-20,000:		Santa Barbara.....	65,167
Colusa.....	10,258	San Mateo.....	77,405
Nevada.....	10,596	Tulare.....	77,442
Glenn.....	10,935	Contra Costa.....	78,608
San Benito.....	11,311	Group VI, 80,000 and over:	
Yuba.....	11,331	Riverside.....	81,024
Lassen.....	12,589	Kern.....	82,570
Tehama.....	13,866	San Joaquin.....	102,940
Shasta.....	13,927	Orange.....	118,674
Sutter.....	14,618	San Bernardino.....	133,900
Madera.....	17,164	Sacramento.....	141,999
Group IV, 20,000-40,000:		Fresno.....	144,379
Napa.....	22,897	Santa Clara.....	145,118
Mendocino.....	23,505	Metropolitan group:	
Yolo.....	23,644	San Diego.....	209,659
Placer.....	24,468	Alameda.....	474,883
Kings.....	25,385	Los Angeles.....	2,208,492

Source of data:
United States Department of Commerce Bureau of the Census. Fifteenth Census of the United States, 1930. Population. Vol. 1:127-145. 1932.

Census) of less than 5,000; counties in group II populations between 5,000 and 10,000; group III between 10,000 and 20,000; group IV between 20,000 and 40,000; group V between 40,000 and 80,000. Counties with populations in excess of 80,000 comprise group VI, except that Los Angeles, Alameda, and San Diego counties are separated therefrom and carried as the “metropolitan group.”

Classification of the counties in the above manner gives a rather even distribution of counties to the various groups. In particular, the lower (and, as will develop, most interesting) population groups are small

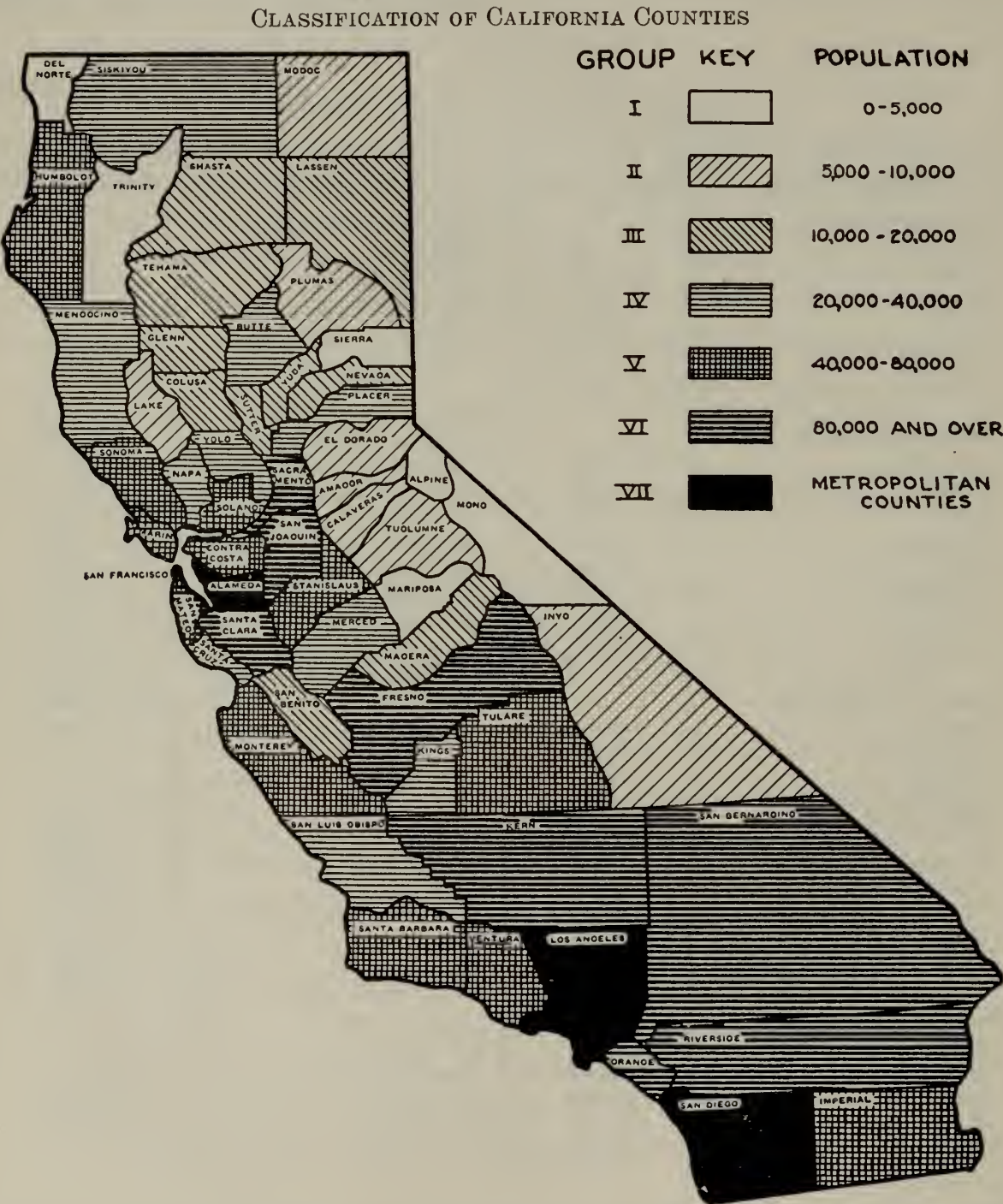


Fig. 10.—For the purposes of this study, California counties have been classified into six groups on the basis of population with a seventh group comprising the metropolitan counties of Los Angeles, Alameda, and San Diego. (Data from table 7.)

enough so that the expenditures of the low-population counties included are thrown into clear relief.

An examination of table 7 and the map (fig. 10) shows that the counties belonging to each of the several groups tend to have more in common than merely the similarity in population which leads to their

being classed together. The six with populations of less than 5,000 are all rather sparsely settled counties, four of them in the Sierra Nevada and two in the Coast Range. All are, of course, mountainous and dependent largely upon mining, lumbering, and recreational resources. Eight counties fall in the group with a population between 5,000 and 10,000, four of them (El Dorado, Amador, Calaveras, and Tuolumne) being contiguous in the foothills of the Sierra Nevada. The counties in this group have some agriculture of importance, although, like the group preceding, they are predominantly mountainous.

In the group of counties with populations between 10,000 and 20,000 are a number of smaller valley counties or counties with a considerable area of arable valley land. Over half of the counties in this group are in the Sacramento Valley or include land on the floor of the Valley.

The next group, with populations between 20,000 and 40,000, is composed, in the main, of larger and more densely populated valley counties together with certain of the larger and more populous Coast Range counties. In the case of the majority of these counties there are sizeable distributing centers which have an appreciable influence on the gross population.

The group with populations of from 40,000 to 80,000 is perhaps the least homogeneous in character. This group includes the first of the southern California counties, together with several coast counties, and Stanislaus and Tulare in the San Joaquin Valley. In almost all of these counties there are cities of some size, while Contra Costa, Marin, and San Mateo have a very considerable urban and semiurban population resident in unincorporated areas.

The counties falling in the group with populations in excess of 80,000 all have one or more of the larger cities of the state within their borders. Fresno, Bakersfield, Santa Ana, Riverside, Sacramento, San Bernardino, San Jose, and Stockton are among the urban centers which contribute to the high ratio of urban to rural population in this group, despite the fact that it includes most of the leading agricultural counties of the state.

In the original plans for the present study, the intention was to attempt an isolation of the relation of population, density of population, ratio of urban to rural population, and possibly topographical character of the county to expenditure distribution and levels by successive grouping of counties on the above bases. The early abandonment of this plan was a result of the comparative similarity of the counties within each group as above outlined. The counties with a low population are also those with a minimum of urban population. With certain exceptions

such as San Bernardino and Riverside,²⁵ they are also the counties with the lowest density of population and, from the standpoint of topographical character, they are of course, almost exclusively mountain counties. The difficulty of measuring the expenditure differences accompanying each of the above factors is obvious. It has, therefore, been necessary to proceed with a grouping of counties which combined those having in common most of the characteristics which might presumably affect expenditure. This has necessitated placing reliance on qualitative isolation of such of the characteristics of the various classes of counties as may presumably affect their expenditures. It also suggests the danger of too readily assigning causes to differences in expenditure between different groups of counties.

For purposes of comparing levels of expenditure of different counties and groups of counties, extensive reliance has been placed upon per-capita levels of expenditure. This assumes that the county is mainly a unit for performing service to persons and hence the expenditure per person is a valid index of expenditure levels. Education, which is wholly a service to individuals, accounts for approximately one-half of the annual expenditures of the county (page 39 to 42). Expenditures for charities and corrections, health, sanitation, and recreation, bring the total proportion of expenditure solely for individuals or persons to about 65 per cent. The remaining 35 per cent of the expenditures of the county is for services that are divided in some permanently unknown fashion between individuals and the wealth, or more properly, the economic life of the county. Highways and service on indebtedness make up slightly less than 25 per cent of the remainder. The remaining expenditures, those for general government and for protection to persons and property, making up about 11 per cent of the total, are also divided between individuals and wealth or property. It may be concluded that two-thirds of the services of counties, as measured by expenditure involved, are solely for individuals as well as some unknown but substantial part of the remaining one-third. A per-capita basis for comparing expenditures is hence a reasonably valid basis for comparing the levels of expenditures of different counties.

²⁵ Another problem in connection with the measuring of density of population is suggested here. While San Bernardino County covers a vast area, the population is relatively concentrated in one corner. No feasible method is apparent for making allowance for such concentration, yet it requires a Pickwickian point of view to assume that the "density" of population in San Bernardino could be arrived at by dividing total population by the total area in square miles.

TOTAL EXPENDITURE

All California counties,²⁶ during the three years from 1929-30 to 1931-32, expended an average of \$269,033,583 annually, the amount varying for individual counties from \$53,515 for Alpine to \$119,350,558 for Los Angeles. In table 8 the distribution of the total expenditure between the major functions of county government during this period is

TABLE 8

COUNTY EXPENDITURE, DISTRIBUTION AND PER-CAPITA LEVELS, MAJOR FUNCTIONS, AVERAGE ANNUAL 1929-30 TO 1931-32

Item	54 counties			All counties*		
	Amount	Per cent of total	Per capita	Amount	Per cent of total	Per capita
Education.....	\$ 60,012,099	50.3	\$27.91	\$137,913,065	51.3	\$27.35
Highways.....	17,627,562	14.8	8.20	28,386,965	10.6	5.63
Charities and corrections.....	10,154,835	8.5	4.72	29,546,488	11.0	5.86
General government.....	9,063,569	7.6	4.22	19,051,496	7.1	3.78
Protection to persons and property.....	5,533,551	4.6	2.57	13,153,990	4.9	2.61
Health and sanitation.....	1,935,074	1.6	0.90	5,007,561	1.9	0.99
Recreation.....	737,830	0.6	0.34	2,178,372	0.8	0.43
Miscellaneous.....	1,406,362	1.2	0.65	4,064,919	1.5	0.81
Interest payments.....	5,952,425	5.0	2.77	15,352,980	5.7	3.04
Redemption of debt.....	6,820,061	5.7	3.17	14,377,747	5.4	2.85
Total.....	\$119,243,368	100.0	\$55.46	\$269,033,583	100.0	\$53.35

* Excluding City and County of San Francisco.
Source of data: Computations by author based on "Financial transactions."

summarized. Education, as indicated by the earlier analysis, accounted for slightly over half of the total in all counties and likewise in the 54 counties exclusive of Los Angeles, Alameda, and San Diego. For the remaining 50 per cent, highways is the largest single item of expenditure for the 54 counties, although slightly exceeded by charities and corrections when all counties are considered. General government and protection to persons and property absorbed smaller and roughly similar amounts. The item of service on indebtedness (i.e., combining interest and payments on indebtedness) occupies a significant position in the annual outlay, accounting for 10.7 per cent of the total expenditure for the 54 counties and a slightly larger proportion for all counties combined.

²⁶ Excluding, of course, the City and County of San Francisco. See Appendix B, page 107.

Several things become apparent from an examination of the total and comparative levels of expenditure for the various counties and county groups (table 9). The large proportion of all county expenditures

TABLE 9

AMOUNT AND PER-CAPITA LEVELS OF TOTAL EXPENDITURE BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

Counties and groups of counties	Amount	Per capita	Counties and groups of counties	Amount	Per capita
Group I, 0-5,000.....	\$1,152,524	\$ 77.85	GROUP IV (<i>Continued</i>)		
Alpine.....	53,515	222.05	Butte.....	\$ 2,008,698	\$58.92
Mono.....	102,534	75.39	Merced.....	2,312,619	62.93
Sierra.....	156,181	64.48	Santa Cruz.....	1,815,945	48.51
Trinity.....	182,646	65.02			
Mariposa.....	217,288	67.21	Group V, 40,000-80,000.....	39,349,688	55.21
Del Norte.....	440,360	92.92	Solano.....	1,675,508	41.03
			Marin.....	2,140,798	51.40
Group II, 5,000-10,000.....	3,703,139	59.95	Humboldt.....	2,394,084	55.38
Calaveras.....	374,494	62.33	Monterey.....	3,510,248	65.36
Inyo.....	444,278	67.78	Ventura.....	3,953,264	71.91
Lake.....	529,239	73.85	Stanislaus.....	2,903,628	51.26
Plumas.....	542,996	68.62	Imperial.....	2,601,740	42.72
Modoc.....	496,516	61.77	Sonoma.....	3,003,979	48.23
El Dorado.....	452,804	54.39	Santa Barbara.....	4,687,807	71.94
Amador.....	331,379	39.01	San Mateo.....	3,745,992	48.39
Tuolumne.....	531,433	57.32	Tulare.....	3,969,967	51.26
			Contra Costa.....	4,765,673	60.63
Group III, 10,000-20,000.....	8,136,800	64.27			
Colusa.....	883,373	86.12	Group VI, 80,000 and over	51,123,093	53.78
Nevada.....	429,177	40.50	Riverside.....	4,285,722	52.89
Glenn.....	860,174	78.66	Kern.....	6,621,810	80.20
San Benito.....	610,514	53.98	San Joaquin.....	5,206,934	50.58
Yuba.....	816,380	72.05	Orange.....	8,126,712	68.48
Lassen.....	740,600	58.83	San Bernardino.....	6,293,049	47.00
Tehama.....	826,463	59.60	Sacramento.....	6,108,215	43.02
Shasta.....	847,290	60.84	Fresno.....	7,494,749	51.91
Sutter.....	1,109,254	75.88	Santa Clara.....	6,985,902	48.14
Madera.....	1,013,575	59.05			
			Total, 54 counties.....	119,242,799	55.47
Group IV, 20,000-40,000.....	15,777,555	55.70			
Napa.....	1,063,094	46.43	Metropolitan group.....	149,790,785	51.78
Mendocino.....	1,319,692	56.15	San Diego.....	10,454,482	49.86
Yolo.....	1,440,425	60.92	Alameda.....	19,985,745	42.09
Placer.....	1,087,688	44.45	Los Angeles.....	119,350,558	54.04
Kings.....	1,401,676	55.22			
Siskiyou.....	1,210,839	47.52	Total, all counties*.....	\$269,033,584	\$53.35
San Luis Obispo.....	\$ 2,116,879	\$ 71.48			

* Excluding City and County of San Francisco.

Source of data: Computations by author based on "Financial transactions."

disbursed by the larger counties of the state is worthy of passing comment. By combining the average expenditure of the three metropolitan counties with those in group VI having a population of 80,000 and over, it is to be noted that these 11 counties spend an annual total of \$200,913,878 or but slightly less than 75 per cent of the total county expenditure

—a fact which cannot be separated, of course, from the parallel consideration that these counties contain an even greater percentage (76.2)

COMPARATIVE PER-CAPITA EXPENDITURES OF GROUPS OF CALIFORNIA COUNTIES,
AVERAGE ANNUAL 1929-30 TO 1931-32

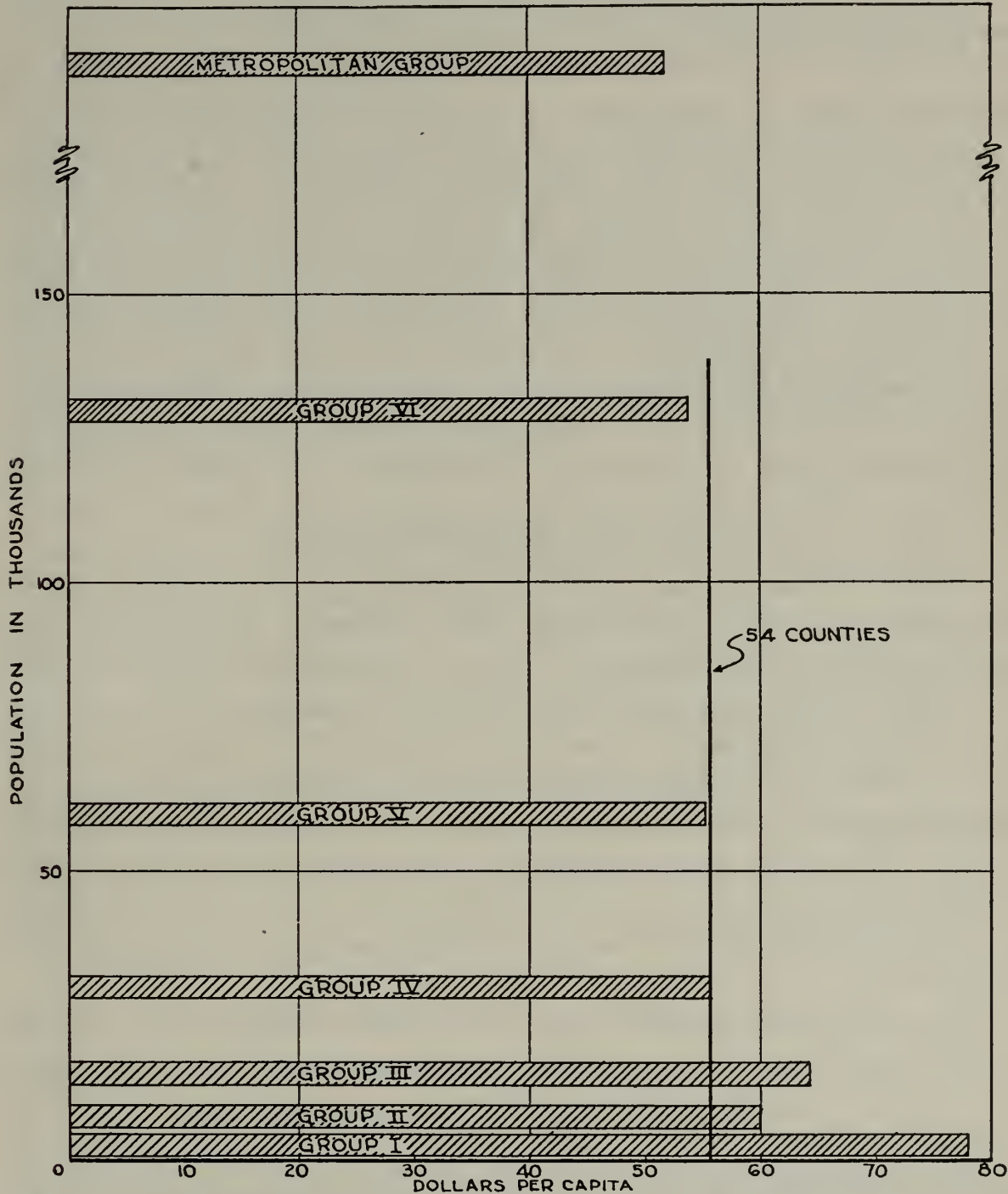


Fig. 11.—The horizontal bars in this figure compare the per-capita expenditures of California counties taken by groups on the basis of population. The bars are spaced apart along the vertical scale so as to indicate the population of the group of counties represented. Thus, the bar marked “group I” shows the per-capita expenditure of counties with populations below 5,000; the one marked “group II,” counties with populations between 5,000 and 10,000. (Data from table 9.)

of the population of the state.²⁷ The concentration in volume of expenditure is somewhat less marked when the metropolitan counties are excluded, although the 20 counties with a population in excess of

²⁷ Excluding San Francisco.

40,000 spend annually \$90,472,781 or 76 per cent of the total for the 54 counties. This group contains 77 per cent of the population of the 54 counties.

The above figures indicate that there is not an immediate correspondence between population and total expenditure levels, and this fact is brought forth in striking fashion by examination of comparative or per-capita levels of expenditure for the different counties and groups of counties (table 9 and figure 11). The per-capita level of expenditure for all counties for the three years under consideration averaged \$53.35 and for the 54 counties, \$55.47. In contrast with these figures the combined expenditures for the 6 counties with populations of less than 5,000 amounted to \$77.85 per capita for the 14,804 people residing therein. Passing over the arresting, if unenviable, record of Alpine with a per-capita outlay of \$222.05, it is to be noted that Del Norte, the most populous of this group, had a per-capita average of \$92.92 during the three years under consideration, as compared with \$55.47 for the 54 counties combined. Sierra County, which had the lowest per-capita expenditure in this group, was still \$9.00 above the 54-county level.

For the 8 counties in group II with populations from 5,000 to 10,000 the per-capita level is lower than that of group I by approximately \$18.00 or 23 per cent, bringing the group per capita well below that of the lowest county in group I, although still considerably above the 54 and all-county per capita. Closer examination of the individual county figures in this group shows, however, that the lowering of the group per capita is unduly influenced by the level for Amador, the second largest county, with a per-capita expenditure of less than \$40.00. Elimination of the population and expenditure of this county from the group results in a per-capita level of slightly over \$63.00, or a drop from group I of 20 per cent.

The counties with populations of from 10,000 to 20,000, while showing considerable dispersion in per-capita levels, do not partake of the downward trend in comparative expenditure as a group. Compared with the preceding group, including Amador County, group III has a markedly higher per-capita level of expenditure, while with Amador excluded from the preceding group the two are approximately the same.

The second major decline in per-capita levels of expenditure is to be noted in passing from group III to group IV, the latter including counties with populations of from 20,000 to 40,000. Group IV shows a decline of 13 per cent as compared with group III and from this point on there is a distinct leveling out in per-capita levels of expenditures. Group V, comprising counties with populations of from 40,000 to 80,000, shows a per-capita level approximating that of group IV. Counties falling in

group VI, with populations in excess of 80,000, show some decline in per-capita expenditure as a group although it is markedly less than that occurring between the groups of smaller counties. Lowest in per-capita total expenditure as a group are the three metropolitan counties with an annual outlay of \$51.18 per resident, or 30 per cent less than that of the smaller counties of group I.²⁸

There is considerable temptation to draw some conclusions at this time from the view of comparative levels of expenditure as just taken. Granting that the major portion of the county expenditures is devoted to the service of persons (page 34), it is apparent that there is a widely varying cost of performing these services on a per-person basis and that the smaller counties are definitely operating at higher expenditure levels than the larger. Before drawing further conclusions, however, it is necessary that the variation between counties in individual items of expenditure be examined in more detail.

EXPENDITURE FOR EDUCATION

All counties for the period under consideration expended an average of \$137,913,065 for education. The 54 counties devoted an average of \$60,012,099 to this service. In each case educational expenditure amounted to approximately half of the total expenditure (table 8). Elementary school expenditure, including of course school district expenditure (page 105), comprised in turn about half (49.5 per cent) of the total educational expenditure for all counties, with high schools taking 45.3 per cent of the remaining 50.5 per cent (table 10). The 54 counties devoted approximately 51 per cent to elementary schools and 43.2 per cent—a slightly lower proportion than for all counties combined—to the support of high schools. The remaining 5.2 per cent in the case of all counties, and 5.7 per cent in the case of the 54 counties is expended for the support of junior colleges, the county library, super-

²⁸ It is in keeping with good scientific practice that attention be drawn to the degree of significance of the average employed over the three years. Naturally, there was some variation in the total levels of expenditure—and consequently in the per-capita figures—between the three years, as indicated by the following data for the individual years in question in comparison with the three-year average.

Year	I	II	III	IV	V	VI	Metropolitan
1929-30.....	\$81.76	\$59.62	\$62.25	\$55.03	\$52.39	\$50.66	\$51.25
1930-31.....	89.90	63.71	67.37	57.53	57.95	56.56	52.86
1931-32.....	70.89	56.52	63.20	54.52	55.29	54.12	51.21
1929-30 to 1931-32..	\$77.85	\$59.95	\$64.27	\$55.70	\$55.21	\$53.78	\$51.78

It will be noticed that in each group the movement of the expenditure is in the same direction for the different groups, viz. an increase in 1930-31 and a decrease in 1931-32. In no year is there a material alteration of the broader relations between groups as shown by the average. However, in the case of groups IV and V the per-capita expenditure of the latter was actually a shade higher in two of the three years although a few cents lower in the average.

TABLE 10

AMOUNT, PER CENT OF ALL EXPENDITURES, AND PER-CAPITA LEVELS OF EXPENDITURE
FOR EDUCATION BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE
ANNUAL 1929-30 TO 1931-32

Counties and groups of counties	Amount	Per cent of all expend- itures	Per capita	Counties and groups of counties	Amount	Per cent of all expend- itures	Per capita
Group I, 0-5,000....	\$ 487,389	42.3	\$32.92	Group IV (<i>Cont.</i>)			
Alpine.....	10,906	20.4	45.25	Butte.....	\$ 891,891	44.4	26.16
Mono.....	28,642	27.9	21.06	Merced.....	1,044,093	45.1	28.41
Sierra.....	69,469	44.5	28.68	Santa Cruz.....	934,252	51.4	24.95
Trinity.....	69,025	37.8	24.57				
Mariposa.....	102,245	47.1	31.62	Group V, 40,000-			
Del Norte.....	207,102	47.0	43.70	80,000.....	19,264,394	49.0	27.03
				Solano.....	921,302	55.0	22.56
Group II, 5,000-				Marin.....	1,000,204	46.7	24.02
10,000.....	1,729,733	46.7	28.00	Humboldt.....	978,416	40.9	22.63
Calaveras.....	161,936	43.2	26.95	Monterey.....	1,536,763	43.8	28.61
Inyo.....	208,421	46.9	31.80	Ventura.....	1,620,202	41.0	29.47
Lake.....	261,112	49.3	36.44	Stanislaus.....	1,623,097	55.9	28.66
Plumas.....	236,500	43.6	29.89	Imperial.....	1,311,953	50.4	21.54
Modoc.....	252,335	50.8	31.39	Sonoma.....	1,415,883	47.2	22.76
El Dorado.....	195,797	43.2	23.52	Santa Barbara.....	2,264,930	48.3	34.76
Amador.....	186,212	56.2	21.92	San Mateo.....	2,055,437	54.9	26.55
Tuolumne.....	227,420	42.8	24.53	Tulare.....	2,032,972	51.2	26.25
				Contra Costa.....	2,503,235	52.5	31.84
Group III, 10,000-							
20,000.....	3,823,672	47.0	30.20	Group VI, 80,000			
Colusa.....	418,734	47.4	40.82	and over.....	27,187,997	53.2	28.60
Nevada.....	202,471	47.2	19.11	Riverside.....	1,971,653	46.0	24.33
Glenn.....	377,725	43.9	34.54	Kern.....	3,611,844	54.5	43.74
San Benito.....	315,659	51.7	27.91	San Joaquin.....	2,272,812	43.6	21.08
Yuba.....	344,977	42.3	27.07	Orange.....	4,678,223	57.6	39.42
Lassen.....	359,843	48.6	25.18	San Bernardino	3,416,249	54.3	25.51
Tehama.....	394,030	47.7	29.28	Sacramento.....	3,105,349	50.8	21.87
Shasta.....	389,625	46.0	26.16	Fresno.....	4,058,483	54.2	28.11
Sutter.....	466,938	42.1	28.41	Santa Clara.....	4,073,384	58.3	28.07
Madera.....	553,670	54.6	24.95				
				Total 54 counties..	60,012,099	50.3	27.91
Group IV, 20,000-							
40,000.....	7,518,914	47.7	26.54	Metropolitan			
Napa.....	498,018	46.8	21.75	group.....	77,900,966	52.0	26.93
Mendocino.....	746,012	56.5	31.74	San Diego.....	5,089,925	48.7	24.28
Yolo.....	600,086	41.7	25.38	Alameda.....	10,962,571	54.8	23.08
Placer.....	608,803	56.0	24.88	Los Angeles.....	61,848,470	51.8	28.00
Kings.....	687,195	49.0	27.07				
Siskiyou.....	641,494	53.0	25.18	Total, all coun-			
San Luis Obispo	\$ 367,070	41.0	\$29.28	ties*.....	\$137,913,065	51.3	\$27.35

* Excluding City and County of San Francisco.

Source of data: Computations by author based on "Financial transactions."

COMPARATIVE PER-CAPITA EXPENDITURE AND PROPORTION OF ALL EXPENDITURES FOR
EDUCATION BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE
ANNUAL 1929-30 TO 1931-32

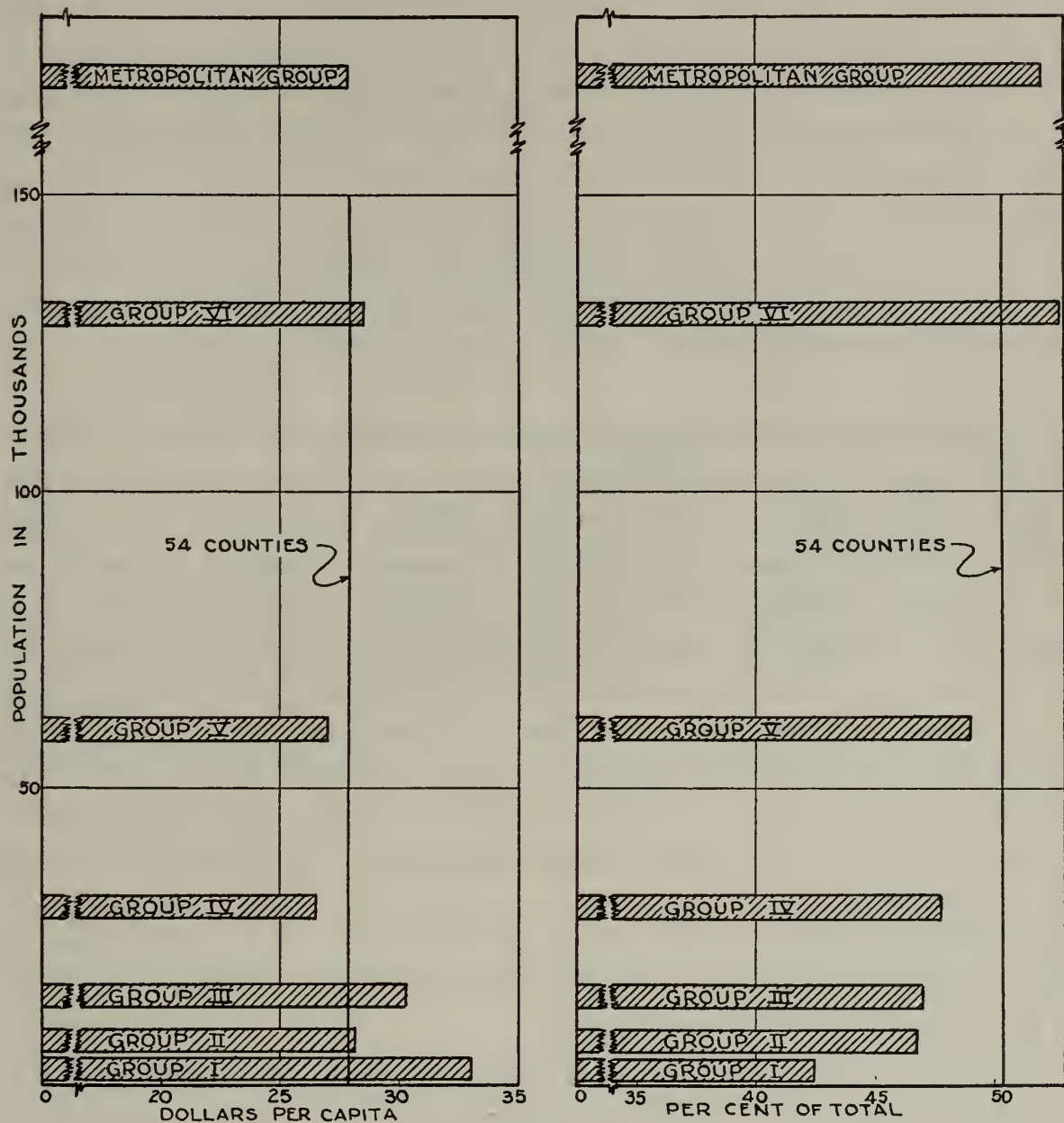


Fig. 12.—The above figure is constructed on the same basis as figure 11, with the right-hand section comparing the proportion of all expenditures devoted to education by counties in the various population groups beginning at the bottom with counties in group I having populations of less than 5,000. (Data from table 10.)

intendent of schools, county board of education, and other expenditures related to the educational system.²⁹

While education occupies a major place in the budgets of all counties,³⁰ its relative position differs considerably as between the larger and

²⁹ It has been considered that expenditure for education covered a function sufficiently homogeneous in objective that it could be justly treated in unitary fashion in the present study. For this reason no lengthy effort has been made to break educational expenditure into constituent parts in the manner in which several of the much less important, but also much less homogeneous groups have been treated

³⁰ Highway expenditure exceeds educational expenditure in Alpine and Mono, and expenditure for general government is approximately equal to that for education in the case of the former.

smaller counties (table 10 and fig. 12). For the 54 counties, education accounts for 50.3 per cent of the total expenditure, but the group of counties with populations of less than 5,000 expend but 42.3 per cent of their annual total for this function. In passing from the smaller to the larger population groups, a gradual but steady increase in the proportion of annual expenditures is devoted to education. Counties with populations of from 5,000 to 10,000 spend 46.7 per cent of their annual total for this function, while those with populations of 10,000 to 20,000 spend 47.0 per cent. Further increases in the percentage of all expenditures devoted to education are noted for groups IV, V, and VI, while the metropolitan counties spend 52.0 per cent of all expenditures for this function.

From the above data it might appear at first glance that the smaller counties were obtaining educational services in such fashion as to entail a less severe strain on their aggregate budget than in the case of the larger counties. Examination of the per-capita levels of expenditure for education (table 10 and fig. 12), however, serves to correct this impression. Despite the smaller part played by educational services in the expenditure total, per-capita costs of education are as high as those for the large counties, and, in the case of the very low population groups, higher. The three-year average per-capita expenditure for education for the 54 counties amounted to \$27.91, while the 6 counties, with populations of less than 5,000, expended \$32.92 or \$5.01 per capita in excess of that expended by the 54 counties. Per-capita expenditure for group II was not significantly above that for the 54 counties, but the 10 counties with populations of from 10,000 to 20,000 expended \$30.20 per capita or \$2.29 more than the general level.

The service of education is categorically a service to persons, and the levels of per-capita expenditure are hence a rather precise basis of comparison of levels of expenditure for this service. Unless there is a higher proportion of the total population in the lower or school-age brackets in the smaller counties, which census data show to be not the case,³¹ it may thus be concluded that while the smaller counties of the state choose (or are forced) to allot a smaller proportion of their annual budget to

³¹ Census data actually show an increasing ratio of children in attendance at schools in passing from the smaller population groups to the larger, with the exception of the metropolitan counties. Children from seven to thirteen years of age in attendance at schools were 10.40 per cent of the population for group I and 10.66 per cent of the population for group II, as contrasted with 12.51 per cent, 12.24 per cent, and 12.42 per cent for groups III, IV, and V, respectively. The same general trend occurs for children of fourteen and fifteen years of age, and the larger percentage of children in school to total population for the high-school-age bracket of sixteen and seventeen years in the larger counties is especially apparent. (Data from: United States Department of Commerce Bureau of the Census. Fifteenth Census of the United States, 1930. Population. Vol. 1:127-145. 1932.)

education, the comparative expenditure on the basis of individuals served is actually higher than in the case of the larger counties. This latter of course implies the further questions whether the necessary cost of providing education in the sparsely populated mountain counties is greater than that in the densely populated area, and whether the standards of service are comparable in the smaller and larger counties.

TABLE 11

DIVISION OF COUNTY EXPENDITURE BETWEEN ELEMENTARY AND HIGH SCHOOLS
BY COUNTY GROUPS, AVERAGE ANNUAL 1929-30 TO 1931-32

County group	Total expenditure for education	Elementary schools			High schools		
		Expenditure	Per capita	Per cent of total for education	Expenditure	Per capita	Per cent of total for education
Group I.....	\$ 487,389	\$ 312,260	\$21.09	64.1	\$ 155,650	\$10.51	31.9
Group II.....	1,729,733	883,151	14.30	51.1	748,797	12.12	43.3
Group III.....	3,823,672	1,926,788	15.22	50.4	1,630,880	12.88	42.7
Group IV.....	7,518,914	3,964,564	14.00	52.7	3,205,922	11.32	42.6
Group V.....	19,264,394	9,911,299	13.90	51.4	8,085,045	11.34	42.0
Group VI.....	27,187,997	13,594,090	14.30	50.0	12,069,973	12.70	44.4
54 counties.....	60,019,099	30,592,152	14.20	51.0	25,896,267	12.00	43.1
Metropolitan group.....	77,900,966	37,676,707	13.02	48.4	36,536,237	12.53	46.9
All counties*....	\$137,913,065	\$68,268,859	\$13.54	49.5	\$62,432,504	\$12.38	45.3

* Excluding City and County of San Francisco.
Source of data: Computations by author based on "Financial transactions."

The above are questions which bear strongly upon the problem of justifiability of the expenditure situation as it exists but which are not wholly germane to an objective examination of the expenditure situation as it is. That there are higher costs in taking education to a scattered population with virtually individual tutelage for the few children of the district has been fairly generally recognized. These are not costs, however, which can be isolated on the basis of present data.

An examination of the distribution of educational expenditure between elementary and high schools for the various county groups (table 11) indicates that in extent of educational facilities, as shown by provision of secondary education, there is a definite tendency for the very small counties to lag behind the more populous units. Counties in group I with populations of less than 5,000 devoted 64 per cent of their educational expenditure to elementary schools as against 32 per cent to high schools. This is in contrast with 51 per cent for elementary schools and 43 per cent for high schools by the 54 counties combined. In the case of group I it is especially significant that, despite the highest per-capita expenditure for education in general and much the highest per-

capita expenditure for elementary schools, this group had the lowest per-capita expenditure for high schools, which is indicative of a very considerable deficiency in the latter regard as compared with the more populous counties. As to the quality of the educational services—beyond the mere matter of high-school facilities—the bases for judgment are limited. As measured by conventional standards of educational performance, serious shortcomings are generally noted in the schools of areas such as those comprising the smaller counties of the state. The extent of such deficiencies cannot, however, be measured.

EXPENDITURE FOR HIGHWAYS

Despite the lessening of the counties' share in road-building activities since 1921, highway and highway structures continued to occupy second place in importance for the large majority of counties during the three years under consideration. Expenditure for highways by the 54 counties amounted to an annual average of \$17,627,562 (table 12) during this period and accounted for 14.8 per cent of the total expenditure. For all counties the highway expenditure was \$28,386,965 or 10.6 per cent of the expenditure total. Inclusion of the three metropolitan counties with 7.2 per cent of their total expenditure for highways as against 12.9 for charities and corrections brings the all-county expenditure for the latter service slightly over that for highways.

Even the most cursory examination of table 12 and figure 13 shows the markedly different position occupied by highway expenditure in the budgets of the large and small counties. Beginning with Alpine County (which usually serves to depict the extreme in any trend from smaller to larger counties) with 48 per cent of its total expenditure for highways, there is a somewhat irregular but entirely unmistakable decline in the relative importance of this item until, in the case of Alameda and Los Angeles counties, it accounts for less than 7 per cent of the total.³² The small counties in group I devote the highest proportion of their expenditures to the building and maintaining of roads. The average annual outlay of these counties for this service over the three years considered amounts to 21.7 per cent, or slightly over one-fifth of their total expenditures, as against slightly less than 15 per cent for the 54 counties as a whole. The proportion of total expenditure for highways remains at a similar level for counties with populations falling between 5,000 and 10,000, with a significant drop to 16.9 per cent of the total, or 2 per cent over the 54-county level, for the counties in group III with populations of from 10,000 to 20,000.

³² However, see page 47 for other factors of importance in the case of these latter counties.

A significant, although not all-important, reason for the decline in the importance of highway expenditure between groups I and II and

TABLE 12

AMOUNT, PER CENT OF ALL EXPENDITURES, AND PER-CAPITA LEVELS OF EXPENDITURE FOR HIGHWAYS BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

Counties and groups of counties	Amount	Per cent of all expenditures	Per capita	Counties and groups of counties	Amount	Per cent of all expenditures	Per capita
Group I, 0-5,000....	\$ 249,528	21.7	\$ 16.85	Group IV (Cont.)			
Alpine.....	25,723	48.1	106.73	Butte.....	\$ 416,339	20.7	\$12.21
Mono.....	33,027	32.2	24.28	Merced.....	318,845	13.8	8.68
Sierra.....	43,346	27.8	17.90	Santa Cruz.....	335,391	18.5	8.96
Trinity.....	39,153	21.4	13.94				
Mariposa.....	49,307	22.7	15.25	Group V, 40,000-			
Del Norte.....	58,972	13.4	12.44	80,000.....	6,217,174	15.8	8.72
				Solano.....	210,326	12.6	5.15
Group II, 5,000-				Marin.....	452,640	21.1	10.87
10,000.....	755,435	20.4	12.23	Humboldt.....	470,168	19.6	10.88
Calaveras.....	88,211	23.6	14.68	Monterey.....	1,033,486	29.4	19.24
Inyo.....	77,552	17.5	11.83	Ventura.....	719,671	18.2	13.09
Lake.....	92,951	17.6	12.97	Stanislaus.....	343,470	11.8	6.06
Plumas.....	186,314	34.3	23.55	Imperial.....	308,195	11.8	5.06
Modoc.....	57,615	11.6	7.17	Sonoma.....	633,489	21.1	10.18
El Dorado.....	92,331	20.4	11.09	Santa Barbara..	554,357	11.8	8.51
Amador.....	43,161	13.0	5.08	San Mateo.....	348,092	9.3	4.50
Tuolumne.....	117,300	22.1	12.65	Tulare.....	538,994	13.6	6.96
				Contra Costa.....	604,286	12.7	7.69
Group III, 10,000-							
20,000.....	1,376,394	16.9	10.87	Group VI, 80,000			
Colusa.....	135,685	15.4	13.23	and over.....	6,354,037	12.4	6.68
Nevada.....	63,170	14.7	5.96	Riverside.....	596,801	13.9	7.37
Glenn.....	154,644	18.0	14.14	Kern.....	699,824	10.6	8.47
San Benito.....	115,300	18.9	10.19	San Joaquin.....	874,517	16.8	8.50
Yuba.....	146,059	17.9	12.89	Orange.....	1,335,564	16.4	11.25
Lassen.....	135,268	18.3	10.74	San Bernardino	776,788	12.3	5.80
Tehama.....	124,725	15.1	9.00	Sacramento.....	498,217	8.2	3.51
Shasta.....	136,138	16.1	9.78	Fresno.....	807,858	10.8	5.60
Sutter.....	241,452	21.8	16.52	Santa Clara.....	764,468	10.9	5.27
Madera.....	123,953	12.2	7.22				
				Total, 54 counties	17,627,562	14.8	8.20
Group IV, 20,000-							
40,000.....	2,674,994	17.0	9.44	Metropolitan			
Napa.....	196,540	18.5	8.58	group.....	10,759,403	7.2	3.72
Mendocino.....	245,238	18.6	10.43	San Diego.....	1,193,782	11.4	5.69
Yolo.....	338,415	23.5	14.31	Alameda.....	1,367,038	6.8	2.88
Placer.....	110,435	10.2	4.51	Los Angeles.....	8,198,583	6.9	3.71
Kings.....	231,930	16.5	9.14				
Siskiyou.....	211,364	17.5	8.29	Total, all coun-			
San Luis Obispo	\$ 270,497	12.8	\$ 9.13	ties*.....	\$28,386,965	10.6	\$ 5.63

* Excluding City and County of San Francisco.
Source of data: Computations by author based on "Financial transactions."

group III is to be gleaned from a consideration of the topographical character of the counties comprising these groups. Groups I and II contain the majority of the wholly or predominantly mountainous

counties of the state, while in group III a number of the smaller valley counties appear. Both the need for road facilities and the increased cost of making provision for them in the mountain areas are undoubtedly

COMPARATIVE PER-CAPITA EXPENDITURE AND PROPORTION OF ALL EXPENDITURES FOR
HIGHWAYS BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE
ANNUAL 1929-30 TO 1931-32

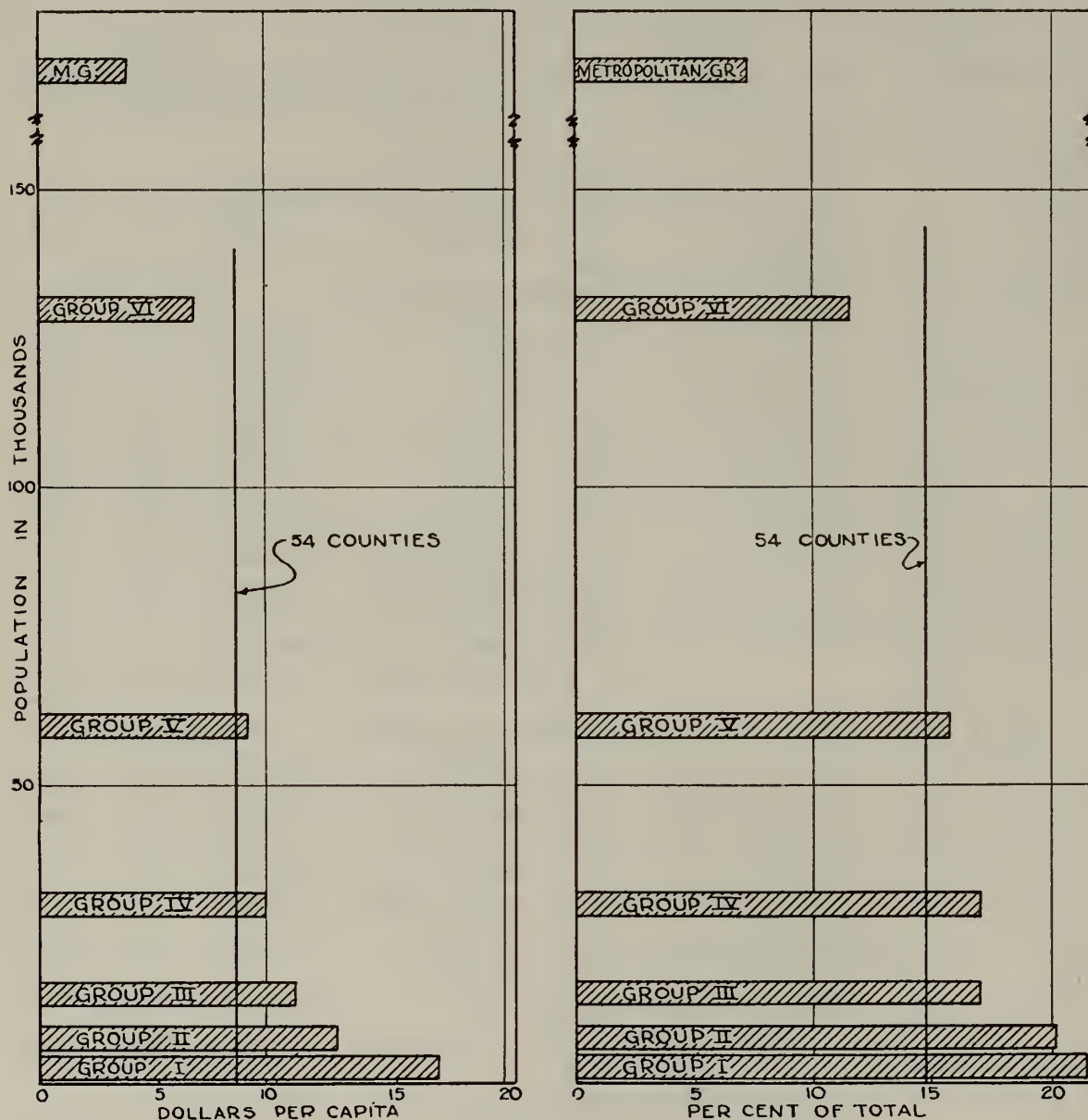


Fig. 13.—The smaller counties (at the bottom of the figure) devote a much larger proportion of their total expenditures to the construction and maintenance of highways than do the larger counties. Likewise the per-capita levels of expenditure for this item are much higher in the smaller counties. (Data from table 12.)

reflected in a higher proportion of the expenditure for this item in the counties of this character.³³

Little change is seen in the proportion of total expenditures devoted to road construction in passing from group III to group IV, but beyond this latter group there is a steady decline in the proportion of the total

³³ However, see pages 47 and 48 for other factors of importance in making for a higher road expenditure by the smaller counties.

devoted to this service. Counties falling in group V, with populations from 40,000 to 80,000, expended 15.8 per cent of their collective total for highways, while those with populations in excess of 80,000 expended 12.4 per cent of the total. Counties falling in the metropolitan group showed by far the smallest proportion of their expenditure for highways, this service falling to the relatively minor place of 7.2 per cent of the total budget.

Besides the greater difficulty of providing highway facilities in the smaller mountainous counties, three other factors worthy of mention contribute to the differences in importance of highway expenditures as between large and small counties. In the case of the larger counties the greater population and, in most cases, greater density of population unquestionably tend to increase the efficiency of highway use. Even with the provision of better roads in such counties, unquestionably a greater quantity of use per unit of investment and consequently a smaller relative burden for this function in comparison with other services occurs with the larger number of people served.

The second element in the lower percentage of all expenditure for highways, on the part of the larger counties, is the displacement of the county by other road-building units of government. In the case of the three metropolitan counties and, in lesser degree, in the case of certain of the counties in group VI, the burden of a significant share of the road-building and maintenance falls upon municipalities in the form of street construction and upkeep. There seems little doubt but that the low percentage of the total expenditures for highways on the part of Los Angeles and Alameda counties lies in this situation. While less susceptible to proof, there also seems to be some possibility that the highway programs of the state have dealt more favorably with the larger counties than the smaller. Necessarily, a complete through system of highways taps and traverses first the more populous areas. Counties of sparse population are served in the early stages of construction only in an incidental way as they happen to be traversed by such routes. In the case of California, few of the counties in the smaller population groups are located on the main arteries of travel between the urban centers of the state. Through highways, of course, displace an equivalent or more than equivalent mileage of locally maintained highway with consequent reduction in the expenditure budget for this item by the county unit. While the expansion of the state highway system tends to gradually remove the advantage of the more fortunately located counties, there is a strong possibility that it is still reflected in their lower expenditure for this item.

A final factor which later analysis shows to have an influence on the

varying place of highway expenditure in the county budget is that of the size of the administrative unit. The statutory division of the county into five supervisorial road districts undoubtedly reduces the latter in the smaller counties below the size where road-building and maintenance operations can be handled with maximum economy. This is particularly true in a day when road-engineering has developed a high degree of mechanical efficiency involving the use of expensive machinery. The small unit must, under such circumstances, lag behind with obsolete and, hence, costly methods or invest in equipment which it is incapable of using to capacity. In either case its expenditure for the provision of a given volume of road service—probably more acutely needed in relation to population and wealth in the small mountain counties than elsewhere—is greatly increased. This is a problem worthy of detailed study in itself.

Also in line with the decreasing importance of highway expenditure in the county budget, in passing from the smaller to the larger counties, is a markedly lower per-capita expenditure for this item in the larger counties (table 12 and fig. 13). As a matter of fact, the comparison of per-capita expenditure for highways, reflecting the higher per-capita levels of all expenditure for the smaller counties, presents more striking contrasts than the proportion of the total budget devoted to this service in the various county groups. Counties in group I expended a per-capita average of \$16.85 for the three years under consideration as compared with \$8.20 or less than half of that amount by the 54 counties combined. Whereas counties in group II allotted but a slightly smaller percentage of their total budget to highways than counties in group I, the per-capita expenditure was \$12.23 or \$4.62 less than that of the group of smaller counties. Further decreases occur in the per-capita levels of road expenditure for succeeding groups until for group V, comprising counties with populations of from 40,000 to 80,000, it stands at \$8.72, or slightly over half of the per-capita level for group I. For group VI there is a further decline to \$6.68 or, in this case, but slightly over half of the expenditure for group II.

While contributing to the general fund of information on highway expenditure and aiding in the orientation of its place in the general expenditure situation, per-capita comparisons of levels of highway expenditure do not have the same significance as in the case of other functions. Unlike education, for example, highways are not entirely or perhaps even in major part a direct service to persons. Nor is the service restricted to the use of the people enumerated in the county. Highways, even though constructed or maintained by a given unit, are instead a cosmopolitan possession of a community larger than that re-

sponsible for their construction. For these reasons per-capita figures are not significant indexes of comparative levels of outlay in terms of extent of service performed. Rather they are abstractions which bring incomprehensible magnitudes to comprehensible proportions. The brief discussion of per-capita levels of highway expenditure is inserted here with this viewpoint in mind. Caution should be exercised in any interpretation based on a viewpoint apart from the above.

EXPENDITURES FOR CHARITIES AND CORRECTIONS

Expenditures for charities and corrections for the three-year period amounted to an average of \$10,154,835 or 8.5 per cent of the total expenditures for the 54 counties. For all counties the total expenditures for the services grouped under this heading amounted to \$29,546,548 or 11.0 per cent of the all-county total. (See table 13.)

As between the large and small counties, this group of expenditures shows an alignment unlike that of any of the other services or groups of services of the county unit. The groups of smaller counties show some tendency to devote a larger proportion of their total resources to this function than do the counties in the intermediate groups. Counties comprising group II devoted 9.0 per cent of their expenditures to charities and corrections, while a low point for all groups is distinguishable with group V where but 7.9 per cent of the total expenditure goes for this group of services. (See table 13 and fig. 14.) For group VI, counties with a population exceeding 80,000, and the metropolitan group there is again a sharp increase in the proportion of total expenditures to 9.4 per cent of the total in the case of the former and to 12.9 per cent in the latter.

Somewhat more illustrative, however, are the figures for comparative or per-capita expenditures, which of course take cognizance of the differences in total levels of expenditure. Counties in group I, on the basis of such comparison, take a commanding lead among the smaller counties with a per-capita expenditure of \$6.31. A drop of approximately \$0.90 per capita occurs in passing to the next group with a further small decline in group III, which includes counties with populations of from 10,000 to 20,000. Expenditure for this item is substantially lower for counties in group IV, and a minimum of \$4.03 is reached in group V, which includes counties with populations between 40,000 and 80,000. As indicated by the proportion of total expenditure devoted to charities and corrections, a marked increase to \$5.05 per capita for counties with populations in excess of 80,000 is seen, and in the case of the metropolitan counties it again exceeds that for group I, amounting to \$6.70 per capita.

Expenditures for charities and corrections cover the support of a variety of services. Before drawing conclusions about the reasons for

TABLE 13

AMOUNT, PER CENT OF ALL EXPENDITURES, AND PER-CAPITA LEVELS OF EXPENDITURES
FOR CHARITIES AND CORRECTIONS BY GROUPS OF CALIFORNIA
COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

Counties and groups of counties	Amount	Per cent of all expend- itures	Per capita	Counties and groups of counties	Amount	Percent of all expend- itures	Per capita
Group I, 0-5,000....	\$ 93,378	8.1	\$6.31	Group IV (Cont.)			
Alpine.....	250	0.5	1.04	Butte.....	\$ 188,436	9.4	\$5.53
Mono.....	4,804	4.7	3.53	Merced.....	204,665	8.8	5.57
Sierra.....	10,173	6.5	4.20	Santa Cruz.....	101,499	5.6	2.71
Trinity.....	27,590	15.1	9.82				
Mariposa.....	21,214	9.8	6.56	Group V, 40,000-			
Del Norte.....	29,347	6.7	6.19	80,000.....	2,872,149	7.3	4.03
				Solano.....	106,574	6.4	2.61
Group II, 5,000-				Marin.....	126,595	5.9	3.04
10,000.....	334,796	9.0	5.42	Humboldt.....	360,307	15.0	8.33
Calaveras.....	38,346	10.2	6.38	Monterey.....	164,701	4.7	3.07
Inyo.....	36,482	8.2	5.57	Ventura.....	287,471	7.3	5.23
Lake.....	29,983	5.7	4.18	Stanislaus.....	271,029	9.3	4.78
Plumas.....	32,125	5.9	4.06	Imperial.....	100,942	3.9	1.66
Modoc.....	34,041	6.9	4.24	Sonoma.....	244,806	8.2	3.93
El Dorado.....	56,301	12.4	6.76	Santa Barbara.....	499,080	10.6	7.66
Amador.....	43,130	13.0	5.08	San Mateo.....	125,041	3.3	1.62
Tuolumne.....	64,390	12.1	6.95	Tulare.....	266,935	6.7	3.45
				Contra Costa.....	318,675	6.7	4.05
Group III, 10,000-							
20,000.....	675,862	8.3	5.34	Group VI, 80,000			
Colusa.....	88,196	10.0	8.60	and over.....	4,802,412	9.4	5.05
Nevada.....	53,891	12.6	5.09	Riverside.....	355,989	8.3	4.39
Glenn.....	49,142	5.7	4.49	Kern.....	390,811	5.9	4.73
San Benito.....	25,483	4.2	2.25	San Joaquin.....	684,820	13.2	6.65
Yuba.....	66,094	8.1	5.83	Orange.....	364,822	4.5	3.07
Lassen.....	59,340	8.0	4.71	San Bernardino.....	500,204	7.9	3.74
Tehama.....	53,210	6.4	3.84	Sacramento.....	890,936	14.6	6.29
Shasta.....	117,183	13.8	8.41	Fresno.....	687,689	9.2	4.76
Sutter.....	84,059	7.6	5.75	Santa Clara.....	927,150	13.3	6.39
Madera.....	79,264	7.8	4.62				
				Total, 54 counties	10,154,814	8.5	4.72
Group IV, 20,000-				Metropolitan			
40,000.....	1,376,217	8.7	4.86	group.....	19,391,674	12.9	6.70
Napa.....	82,276	7.7	3.59	San Diego.....	1,323,595	12.7	6.31
Mendocino.....	73,237	5.5	3.12	Alameda.....	3,282,249	16.4	6.91
Yolo.....	113,071	7.8	4.78	Los Angeles.....	14,785,869	12.4	6.70
Placer.....	110,174	10.1	4.50				
Kings.....	128,872	9.2	5.08	Total, all coun-			
Siskiyou.....	117,081	9.7	4.60	ties*.....	\$29,546,488	11.0	\$5.86
San Luis Obispo	\$ 256,909	12.1	\$8.68				

* Excluding City and County of San Francisco.

Source of data: Computations by author based on "Financial transactions."

the higher expenditures for these services in the very small and in the very large counties, the individual items included in this group should be examined in some detail.

For all counties combined, the expenditure for direct relief together with the much smaller commitments for burial of indigents and other charities constituted the largest item coming under the heading of chari-

COMPARATIVE PER-CAPITA EXPENDITURE AND PROPORTION OF ALL EXPENDITURES FOR CHARITIES AND CORRECTIONS BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

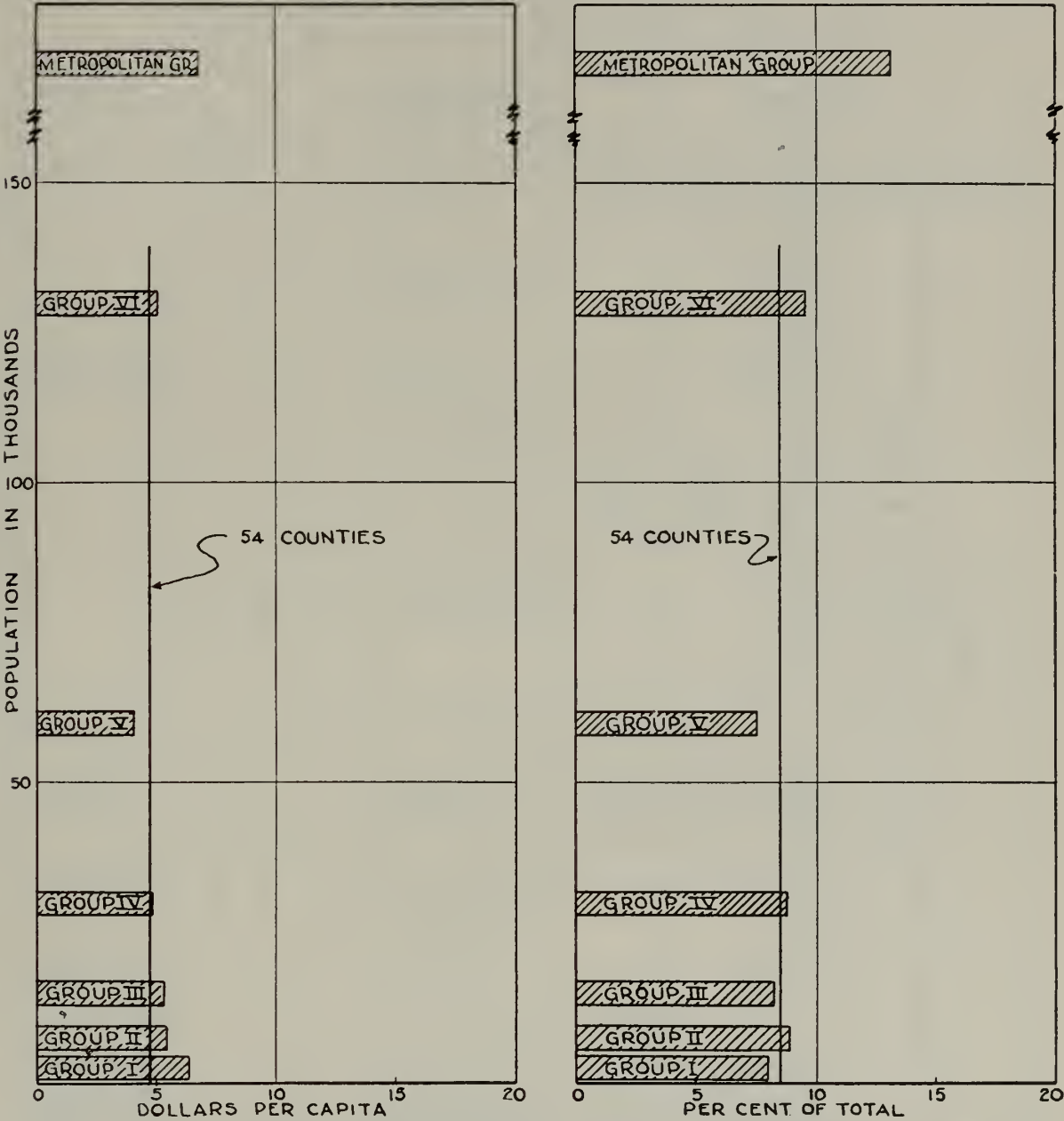


Fig. 14.—The per capita and to a lesser extent the proportion of all expenditures for charities and corrections at first decrease in passing from the smaller counties (at the bottom of the figure) to the larger. When the very populous units are reached, however, there is again a marked increase. (Data from table 13.)

ties and corrections. (See table 14 and fig. 15.) For the 54 counties, however, direct relief and associated items absorbed but 33.1 per cent of the total as compared with 41.6 for maintenance of the county hospital and almshouse.³⁴ Taken together the two above-mentioned groups make

³⁴ Expenditure for the county physician, a relatively minor item, is included in the latter because of the apparent failure of some counties to report it separately from the expenditure for maintenance of the hospital and almshouse.

TABLE 14
DETAIL OF EXPENDITURE FOR CHARITIES AND CORRECTIONS BY GROUPS OF CALIFORNIA COUNTIES,
AVERAGE ANNUAL 1929-30 TO 1931-32

County group	County physician, county hospital, and almshouse			Relief of indigents, burial of indigents, and other charities			Care of children, probation officer, care of in- mates in reform schools			Care of inmates in homes for feeble minded, care and examination of insane			Outlays		
	Amount	Percent of total for chari- ties and correc- tions	Per capita	Amount	Percent of total for chari- ties and correc- tions	Per capita	Amount	Percent of total for chari- ties and correc- tions	Per capita	Amount	Percent of total for chari- ties and correc- tions	Per capita	Amount	Percent of total for chari- ties and correc- tions	Per capita
Group I.....	\$ 35,163	37.7	\$2.38	\$ 45,698	48.9	\$3.09	\$ 10,693	11.5	\$0.72	\$ 1,058	1.1	\$0.07	\$ 766	0.8	\$0.05
Group II.....	103,173	32.6	1.77	147,406	44.0	2.38	64,377	19.2	1.04	5,933	1.8	0.10	7,908	2.4	0.13
Group III.....	210,544	31.2	1.66	309,380	45.8	2.45	98,783	14.6	0.78	20,183	3.0	0.16	36,971	5.4	0.29
Group IV.....	507,624	36.9	1.79	548,239	39.8	1.94	226,451	16.5	0.80	31,463	2.3	0.11	62,440	4.5	0.22
Group V.....	975,302	34.0	1.37	1,017,155	35.4	1.43	500,723	17.4	0.70	97,256	3.4	0.14	281,713	9.8	0.39
Group VI.....	2,382,797	49.6	2.51	1,289,692	26.9	1.36	626,269	13.0	0.66	119,231	2.5	0.12	384,423	8.0	0.40
54 counties.....	4,220,603	41.6	1.96	3,357,570	33.1	1.56	1,527,296	15.0	0.71	275,124	2.7	0.13	774,221	7.6	0.36
Metropolitan group.....	6,339,947	32.7	2.19	7,300,485	37.6	2.52	2,283,738	11.8	0.79	401,037	2.1	0.14	3,066,467	15.8	1.06
All counties*.....	\$10,560,550	35.7	\$2.10	\$10,658,055	36.1	\$2.11	\$3,811,034	12.9	\$0.76	\$676,161	2.3	\$0.13	\$3,840,688	13.0	\$0.76

* Excluding City and County of San Francisco.
Source of data: Computations by author based on "Financial transactions."

up the great bulk of the expenditure for charities and corrections—in the case of the 54 counties, 74.7 per cent of the total, and for all counties, 71.8 per cent.

COMPARATIVE PER-CAPITA EXPENDITURE FOR VARIOUS CLASSES OF ITEMS INCLUDED UNDER CHARITIES AND CORRECTIONS BY GROUPS OF CALIFORNIA COUNTIES, ANNUAL AVERAGE 1929-30 TO 1931-32

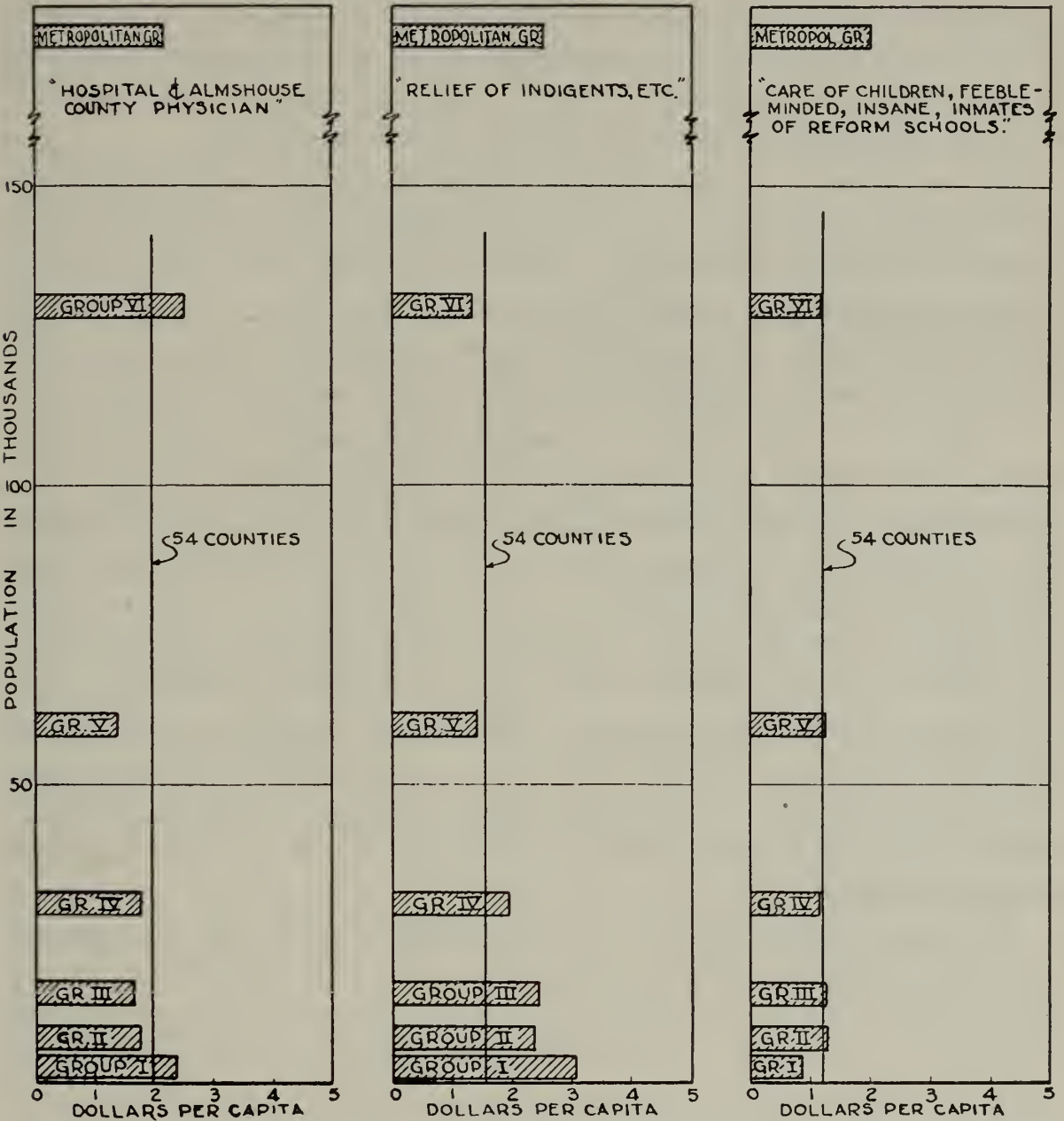


Fig. 15.—From the above figure it is clear that the higher per-capita expenditures for charities and corrections in the smaller counties are the result of higher levels for both institutional services and direct relief in the years considered. (Data from table 14.)

For the 54 counties the only remaining item of considerable proportions beyond the two above considered is that for juvenile relief and delinquency. Care of indigent children, which might properly be included with general indigent relief, although it has markedly different sociological aspects, accounts for about two-thirds of the \$1,527,296

devoted to this function by the 54 counties or, roughly, 10 per cent of the total for charities and corrections.

The annual charge upon the counties for support of the mentally defective amounts to approximately \$275,000 for the 54 counties or 2.7 per cent of the total for charities and corrections. All counties spend rather more than twice this amount, although the larger total expenditure for charities and corrections lowers the proportion for the mentally defective to 2.3 per cent. In appraising the above figures as such it is to be recalled that the amounts cited represent only the counties' share in the support of these socially burdensome groups.

The significance of the item of "outlays" which, though relatively small for the 54 counties, is of some magnitude in the case of the metropolitan counties, is discussed in Appendix A (page 102). Here as elsewhere it represents a rough separation of expenditure of a permanent character from that of current nature and it logically forms a part of the above-mentioned expenditures were there any basis for allocating it.³⁵

It is apparent (fig. 15) that the high levels in large and small counties are not the result of opposing trends for different items which result in a low mean average for the median counties. Both of the major expenditure components of charities and corrections show a strong tendency to reach their high points with the very large and very small counties. Expenditure for the county hospital and almshouse stands at \$2.38 per capita for the smallest county group and shows a decline for each of the succeeding larger groups. While this decrease is interrupted slightly in the case of group IV, a low point of \$1.37 per capita is reached with group V—counties having populations of from 40,000 to 80,000—and it is sharply higher in the case of the two remaining groups of larger counties.

The comparative levels in the case of relief and the smaller expenditures included therewith are similar to the above for the different county groups. Popular opinion undoubtedly to the contrary, the counties with populations of from 0 to 5,000 expended more for indigent relief in relation to the number of people residing therein than did any other group of counties. From a per-capita level of \$3.09 for the group just mentioned, there is an unbroken decline in passing to larger groups until a low point of \$1.36 is reached for the counties with populations in excess of 80,000—slightly though not significantly below the \$1.43 expended by counties in the population group of from 40,000 to 80,000.

The remaining items comprising expenditure for charities and corrections do not show any such pronounced trends as between small,

³⁵ In the case of the metropolitan counties there is some possibility that certain bond funds expended for relief are reported in part under this heading.

medium, and large counties as do the larger items just considered. Expenditure for juvenile relief and correction shows some slight variation from one group of counties to another but no pronounced trend. Expenditure for the mentally defective shows a tendency to increase from the small counties to the larger, although the highest expenditure on the basis of population is made by counties in group III with populations from 10,000 to 20,000.

The item of "outlays" shows the most pronounced trend, increasing with but one interruption from the smaller counties to the larger. Aside from the metropolitan counties, however, it is not large enough to affect the general levels of the expenditure as a whole. Taken together (fig. 15) these minor items come to approximately similar levels on a per-capita basis for the various groups of counties except in the case of the smallest county group and the metropolitan counties. Such being the case, it must be concluded that the services, expenditure for which is responsible for the high comparative levels of expenditure for charities and corrections in the larger county groups, are also the ones responsible for the high levels in the smaller counties.

As to the causes of the relatively higher levels of relief and institutional expenditure in the larger counties, the weight of expenditure for direct relief of a large proportion of the population is unquestionably a major factor for the years in question. By recalling the steady increase in expenditure for charities and corrections over the last two decades, it may well be that a more rapid rise in the standards of hospitalization and institutional poor relief in the larger counties is also an important factor. The high expenditure for county hospital and almshouse on the part of counties in group VI (table 14 and fig. 15), would tend to substantiate this belief. It is also to be recalled that the counties in the larger population groups (even exclusive of the metropolitan counties) have very considerable cities therein with the consequent possibility of a larger proportion of the population requiring institutional relief in old age than the more strictly rural counties with their more elastic standards for human obsolescence.

The factors basic to the higher levels of expenditure in the very small counties would appear to be two in number. In contrast with the intermediate county groups, these counties have not as stable or as well-based an economic organization. The economic difficulties of the lumbering industry and many branches of the mining industry during at least two of the three years here considered are well known and would be expected to reflect in the levels of the expenditure for relief—institutional and direct—in a more acute fashion than in the case of the agricultural areas where subsistence from the land tends to act as a buffer between

poverty and public assistance. Moreover, it is fair to say that a considerable number of the smaller counties contain areas where the margin between self-support and public aid is always narrower than in the agricultural counties. This would tend to reflect in a permanently higher level of welfare expenditure.

The other, and perhaps more important, factor, basic to higher levels of expenditure by the smaller counties, is that of the small size of the unit. Maintenance of institutions by a very small county, with consequent greater relative overhead, is likely to be less economical than in counties of moderate size. This factor has been mentioned in the case of highways and receives detailed consideration in the case of general government.

EXPENDITURE FOR GENERAL GOVERNMENT

Expenditure for general government differs somewhat from the other expenditures of county governments. Covered in the main by this disbursement are the assessment and collection of taxes, administration of county finances including in particular the offices of auditor and treasurer, the support of the board of supervisors, the administration of justice, including the county's share in the salaries of Superior Court judges, the holding of elections, and the upkeep of county buildings for housing the functions just indicated. With certain exceptions, of which the most important are the expenditures for the administration of justice, it will be seen that many of these functions are not a part of the direct services which counties exist to perform. Rather as in the case of collection and administration of funds and general supervision of county business, they make possible the performance of county services. To draw an analogy to business organization, many of the expenditures for general government are expenditures for the *overhead* costs of the county, in the same fashion that expenditures for plant upkeep and executive are a part of the overhead costs of business organization.

Overhead costs as such are as essential as are the prime or direct costs of operation. Rent of a factory building is usually quite as essential an expenditure of a manufacturing concern as the expenditures for the raw materials to be fabricated. However, the size of the overhead charges in relation to operating expenditures is a commonplace and often a very good indicator of the efficiency of operation. In approaching the examination of general government expenditures, it is of importance that this overhead character be kept in mind, and also that the volume of general government expenditure—for assessment, collection of taxes, auditing, etc.—in relation to other expenditures be recognized as one of the valuable indicators of the efficiency of county operation.

During the three years under consideration, the 54 counties spent an annual average of \$9,063,569 or 7.6 per cent of their total expenditure

TABLE 15
AMOUNT, PER CENT OF ALL EXPENDITURES, AND PER-CAPITA LEVELS OF EXPENDITURE
FOR GENERAL GOVERNMENT BY GROUPS OF CALIFORNIA COUNTIES,
AVERAGE ANNUAL 1929-30 TO 1931-32

Counties and groups of counties	Amount	Percent of all expenditures	Per capita	Counties and groups of counties	Amount	Per cent of all expenditures	Per capita
Group I, 0-5,000....	\$ 181,010	15.7	\$12.23	Group IV (Cont.)			
Alpine.....	10,891	20.4	45.19	Butte.....	\$ 162,094	8.1	\$4.76
Mono.....	25,571	24.9	18.80	Merced.....	164,797	7.1	4.49
Sierra.....	25,988	16.6	10.73	Santa Cruz.....	129,099	7.1	3.45
Trinity.....	33,648	18.4	11.98				
Mariposa.....	30,679	14.1	9.49	Group V, 40,000-			
Del Norte.....	54,233	12.3	11.44	80,000.....	3,003,627	7.6	4.21
				Solano.....	133,546	8.0	3.27
Group II, 5,000-				Marin.....	156,048	7.3	3.75
10,000.....	446,684	12.1	7.23	Humboldt.....	212,551	8.9	4.92
Calaveras.....	45,060	12.0	7.50	Monterey.....	208,517	5.9	3.88
Inyo.....	52,788	11.9	8.05	Ventura.....	447,884	11.3	8.15
Lake.....	81,753	15.4	11.41	Stanislaus.....	170,202	5.9	3.00
Plumas.....	53,464	9.8	6.76	Imperial.....	250,202	9.6	4.11
Modoc.....	63,061	12.7	7.84	Sonoma.....	220,588	7.4	3.55
El Dorado.....	51,733	11.4	6.21	Santa Barbara..	297,313	6.3	4.56
Amador.....	34,401	10.4	4.05	San Mateo.....	266,898	7.1	3.45
Tuolumne.....	64,424	12.1	6.95	Tulare.....	269,331	6.8	3.48
				Contra Costa....	370,547	7.8	4.72
Group III, 10,000-							
20,000.....	754,205	9.3	5.96	Group VI, 80,000			
Colusa.....	62,353	7.1	6.08	and over.....	3,474,572	6.8	3.66
Nevada.....	53,198	12.4	5.02	Riverside.....	403,485	9.4	4.98
Glenn.....	85,496	9.9	7.82	Kern.....	432,047	6.5	5.23
San Benito.....	56,535	9.3	5.00	San Joaquin.....	370,812	7.1	3.60
Yuba.....	71,517	8.8	6.31	Orange.....	425,056	5.2	3.58
Lassen.....	80,781	10.9	6.42	San Bernardino	466,846	7.4	3.48
Tehama.....	78,821	9.5	5.68	Sacramento.....	457,632	7.5	3.22
Shasta.....	95,536	11.3	6.86	Fresno.....	476,020	6.4	3.29
Sutter.....	81,873	7.4	5.60	Santa Clara.....	442,674	6.3	3.05
Madera.....	88,095	8.7	5.14				
				Total, 54 counties	9,063,569	7.6	4.22
Group IV, 20,000-				Metropolitan			
40,000.....	1,203,471	7.6	4.25	group.....	9,987,927	6.7	3.45
Napa.....	104,983	9.9	4.59	San Diego.....	897,641	8.6	4.28
Mendocino.....	109,547	8.3	4.66	Alameda.....	1,222,348	6.1	2.57
Yolo.....	103,578	7.2	4.38	Los Angeles.....	7,867,938	6.6	3.56
Placer.....	85,788	7.9	3.51				
Kings.....	95,839	6.8	3.78	Total, all coun-			
Siskiyou.....	100,784	8.3	3.95	ties*.....	\$19,051,496	7.1	\$3.78
San Luis Obispo	\$ 146,962	6.9	\$ 4.96				

* Excluding City and County of San Francisco.
Source of data: Computations by author based on "Financial transactions."

for general government. Including the metropolitan counties, the expenditure for this item was \$19,051,496 or 7.1 per cent of the combined expenditure of all counties. If the reader's exposure to figures already

considered has not led him to the adoption of somewhat inflated standards for appraisal of volume of expenditure, it will be realized that the annual disbursement for general government in California is a sizable one, even though it does not occupy a large place in the budget as a whole.

Examination of table 15 and fig. 16 will show that the figures on proportion of expenditure for general government for all counties are far from providing a true picture of the situation in individual counties, particularly in the smaller counties. While all counties, it is true, spend but 7.1 per cent of their total budget for this item, with some of the larger counties substantially below this figure, the group of smallest counties devotes nearly 16 per cent of its total to this function. Individual counties in the latter group even exceed this proportion by a substantial amount as, for example, Mono County with approximately 25 per cent of all expenditures for general government, and Alpine and Trinity with approximately 20 per cent for this function.

In passing to the larger county groups, a marked and regular decline is noted in the proportion of expenditure devoted to general government with increased county size. Group II, with populations of from 5,000 to 10,000, devotes 3.6 per cent less than group I. Group III, in turn, devotes 2.8 per cent less than group II, and group IV, 1.7 per cent less than group III. While there is no appreciable change between groups IV and V, there is a further decline of 0.8 per cent to the 6.8 per cent devoted to general government by group VI which includes the most populous of the 54 counties. While the decline in proportion of the total devoted to this function is a regular one (fig. 16), there is, however, a marked tendency for it to level out after the 20,000 mark is reached in population. From group I through group III there is a drop in the proportion devoted to general government of 8.1 per cent or by an amount greater than the level for the 54 counties as a whole. From group IV, with populations of from 20,000 to 40,000, to group VI there is a drop of but 0.8 per cent, with a decline of an additional 0.1 per cent in the case of the metropolitan counties.

While it is clear from the above that there are markedly greater demands on the county budget for general government below a certain minimum population, this situation is seen in particularly clear relief when the expenditures for the general government for different counties are compared on the basis of population. From a per capita of \$12.23 expended by counties in group I with populations of less than 5,000 there is a drop to \$7.23 for group II and to \$5.96 for group III. The leveling out begins, however, with group IV, which shows a per-capita disbursement of \$4.25, and from which there is a drop of but \$0.04 to

group V with counties having populations of from 40,000 to 80,000. A further decline to \$3.66 occurs for group VI, counties having populations in excess of 80,000, although considering the extent of the popula-

COMPARATIVE PER-CAPITA EXPENDITURE AND PROPORTION OF ALL EXPENDITURE FOR GENERAL GOVERNMENT BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

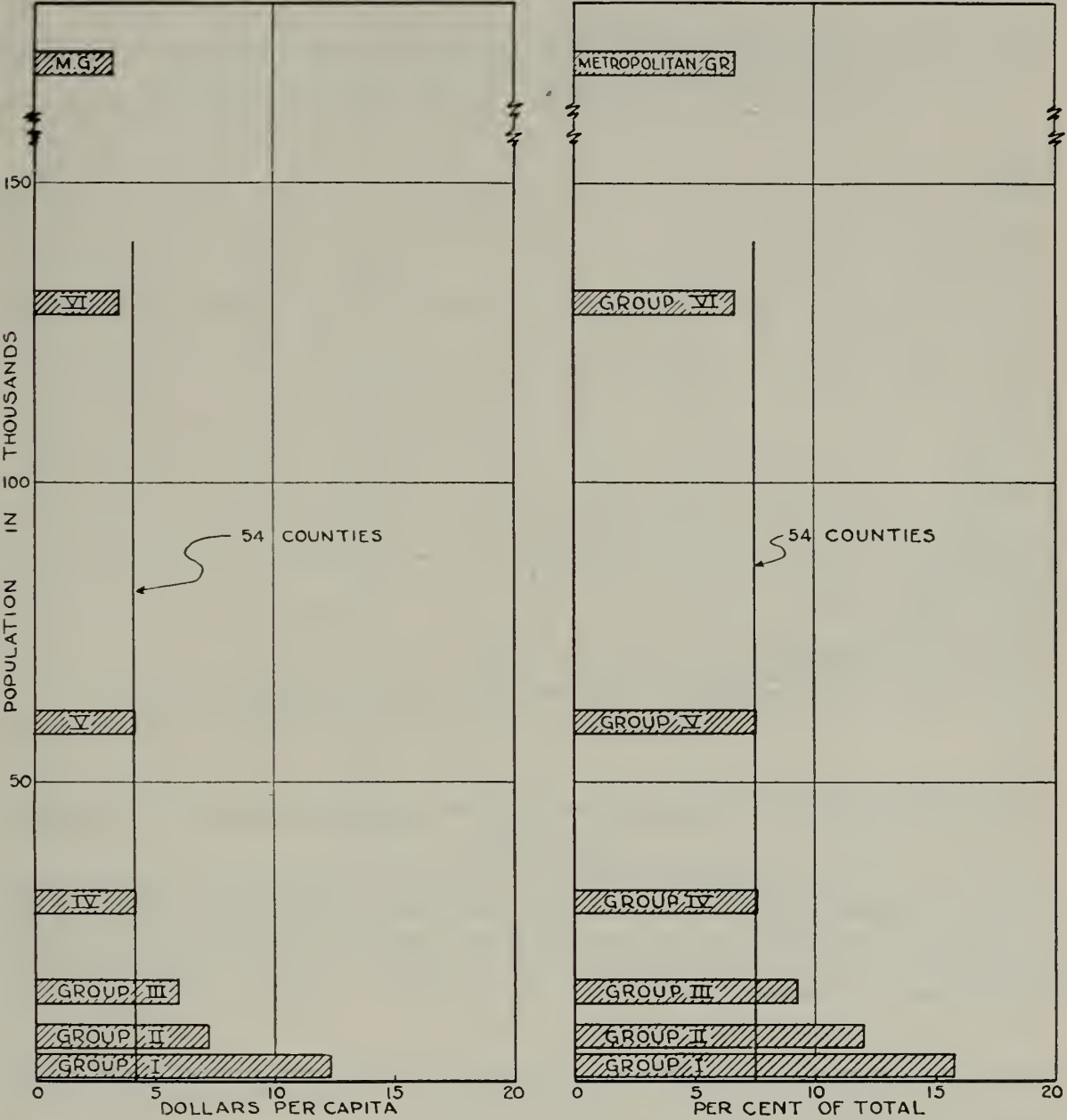


Fig. 16.—The per-capita expenditure for general government by the larger counties and the proportion of the total devoted to this function are markedly lower than in the case of the smaller counties, especially those comprising groups I, II, and III. (Data from table 15.)

tion change involved, this is much smaller than the change between the smaller groups. Counties in group VI, it will be noticed, spend on a per-capita basis but slightly more than one-fourth as much for general government as do counties in group I, and approximately half of the amount expended by counties in group II.

It is apparent that the comparative expenditure for general government decreases with increase in the number of people served, as might be expected of an overhead cost. The statutory officers of the county and the core of county legislative and administrative organization are maintained by small county and large county alike. While there is, of course, an increase in staff and salaries,³⁶ with an increase in the size of the

THE RELATION BETWEEN SIZE OF COUNTY AND EXPENDITURE FOR GENERAL GOVERNMENT, 54 COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

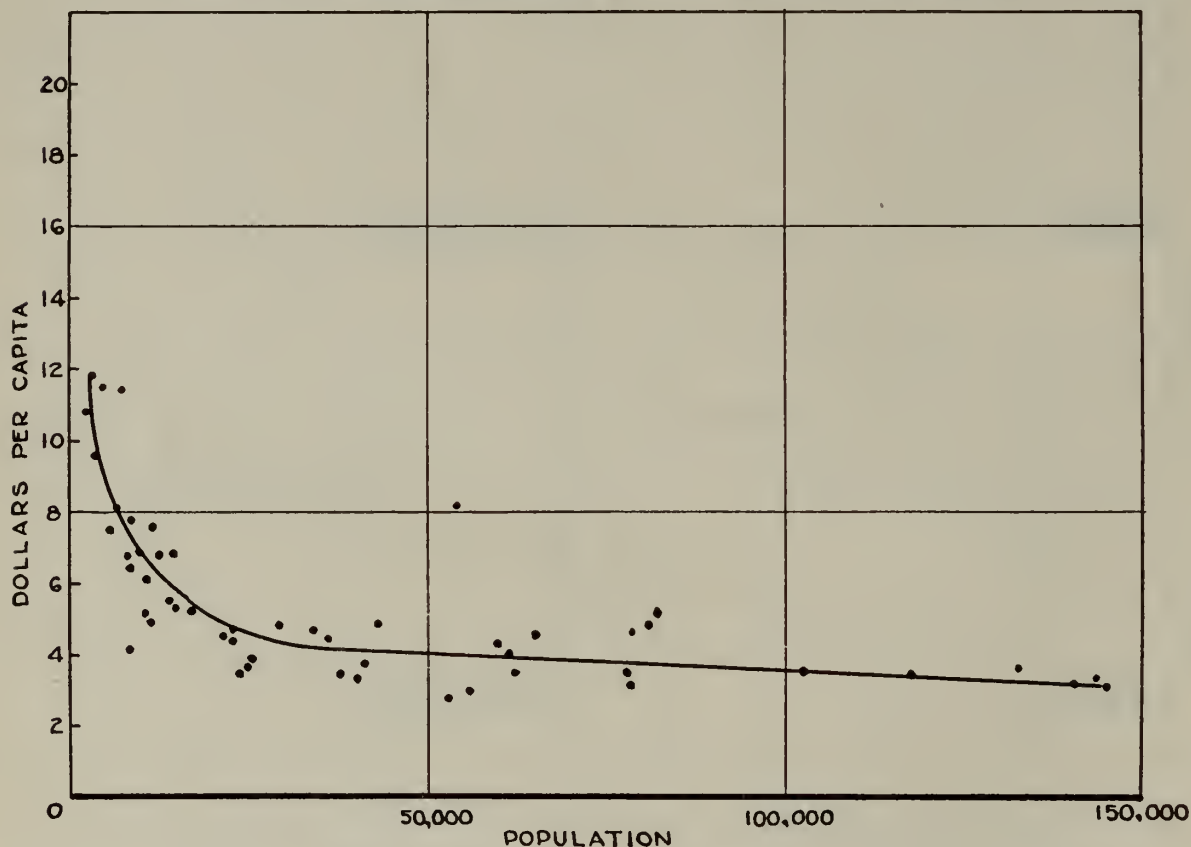


Fig. 17.—The per-capita expenditures of individual counties for general government group themselves closely about a mean line describing the relation between size of county and per-capita expenditure. The few cases of extreme dispersion in the above figure are the result of capital disbursements. (Data from table 15, curve fitted by group averages.)

county, it is apparent that this increase is at a much less rapid rate than the increase in the number of people served.

It may of course be suggested that other characteristics of the counties in the smaller population groups—sparseness of settlement and possibly other factors—may be responsible for the higher per-capita levels of expenditure for general government in these smaller counties. When the relation between population and expenditure is examined for individual counties (fig. 17), this argument loses any of the conviction

³⁶ For a more complete treatment of this item see: California Commission on County Home Rule. Final report. p. 112-136. California State Printing Office, Sacramento. 1931.

it might otherwise carry. The expenditures for individual counties cluster with surprising closeness about a mean line describing the relation between population and per-capita expenditure.³⁷ Moreover, counties with a relatively sparse population, such as Siskiyou and Tehama, but with a considerable area and hence a considerable total population, are uniformly in their expected position along the curve in figure 17 and with no higher per-capita expenditures for general government than valley counties of similar total population but with much smaller area and much greater density of population.

In some respects the expenditure for general government is more homogeneous in purpose than certain of the other expenditure groups, such as charities and corrections or protection to persons and property. An adequate view of this item, however, involves consideration of the relative importance of the constituent parts of the expenditure and their comparative levels as between county groups. From this also comes identification of the individual items responsible for the higher levels of expenditure in the smaller county groups.

Most costly as a group among the functions included under general government are those concerned with the gathering and administering of county finances and referred to in table 16 as *finance offices*. During the three-year period, support of the auditor, treasurer, assessor, and tax collector, with office staffs and incidental expenses, amounted to \$2,436,969 for the 54 counties, or approximately 27 per cent of their total expenditure for general government (table 16).

While examination of figure 18 will show that the higher levels of expenditure for finance offices and administration in the smaller counties contributed in no small degree to the higher expenditure for general government in these counties, the decline with increasing county size is not marked beyond a population of, roughly, 20,000. It would appear that the counties smaller than this in population do pay a substantial amount for maintenance of the fiscal machinery regardless of the "volume of business" as evidenced by the decline of 62 per cent in comparative, or per-capita, levels for this item from group I to group IV and of 37 per cent from group II to group IV. Mountain counties, which as a result of large areas have populations sufficient to place them in group IV, although they have a density of population and general character similar to that of the smaller counties, do not show expenditures out of line with the more densely populated counties of the groups in which they fall.

³⁷ This relation shows even less dispersion when the item of "outlays" (Appendix A, page 102) is removed. Expenditures for capital improvements and construction under way during the period of the study "show through" the three-year average for certain counties, most notably in the case of Ventura.

The further fact that assessment, tax collection, and financial administration generally level out after a certain county size is reached is not difficult to understand. Once the statutory machinery is fully utilized, increases in the tax base and volume of transactions doubtless involve increases in the expenditure for assessment, tax collection, and administration, but slightly less in proportion.

TABLE 16

DETAIL OF EXPENDITURE FOR GENERAL GOVERNMENT BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

Classifications Concluded on Opposite Page

County group	Finance offices			Legislative offices			Elections		
	Amount	Per cent of total for general government	Per capita	Amount	Per cent of total for general government	Per capita	Amount	Per cent of total for general government	Per capita
Group I.....	\$ 46,469	25.7	\$3 14	\$ 46,265	25.6	\$3.13	\$ 10,997	6.1	\$0.74
Group II.....	117,126	26.2	1.90	96,639	21.6	1.56	28,622	6.4	0.46
Group III.....	202,350	26.8	1.60	177,624	23.6	1.40	54,965	7.3	0.43
Group IV.....	337,258	28.0	1.19	218,517	18.1	0.77	94,874	7.9	0.34
Group V.....	745,921	24.8	1.05	445,651	14.8	0.63	203,933	6.8	0.29
Group VI.....	987,845	28.4	1.04	460,259	13.3	0.48	262,672	7.6	0.28
54 counties.....	2,436,969	26.9	1.13	1,444,955	16.0	0.67	656,063	7.2	0.31
Metropolitan counties.....	2,954,027	29.6	1.02	532,181	5.3	0.18	781,866	7.8	0.27
All counties†.....	\$5,390,996	28.3	\$1.07	\$1,977,136	10.4	\$0.39	\$1,437,929	7.5	\$0.29

† Excluding City and County of San Francisco.

In contrast with the expenditure for maintenance of the financial administration, expenditure for the board of supervisors and county clerk, indicated in table 16, as *legislative offices*,³⁸ shows a steady decline from the group of smaller counties through the groups of larger counties. For counties in group I, support of the county board involves an expenditure nearly equal to that for the finance offices and accounts and 25.6 per cent of the total expenditure for general government. Counties in group II devote but 21.6 per cent of the total for general government to support of the board and clerk, and on a per-capita basis

³⁸ For purposes of possible future identification it has been deemed wise to preserve, in so far as possible, the terminology of the State Controller's Office in labeling statistical material in this and other sections. The term "legislative" in connection with the board of supervisors is not, in the eyes of many authorities, a particularly apt one. (See: Farlie, John A., and Charles M. Kneir. County government and administration. p. 108. Century Co., New York. 1930.) In keeping with the above policy, however, it has been retained herein.

expend \$1.56 or almost exactly half of that expended by counties in group I. Succeeding county groups show a steadily decreasing per-capita expenditure, and likewise a steadily decreasing proportion of the general government expenditure devoted to support of the county board and clerk. In the case of the larger county groups this expenditure, on a per-capita basis, is but a fraction of that of the smaller counties. Thus,

TABLE 16—(Concluded)

DETAIL OF EXPENDITURE FOR GENERAL GOVERNMENT BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

Other executive offices*			Law offices			Judicial offices			General government buildings and "outlays"		
Amount	Per cent of total for general government	Per capita	Amount	Per cent of total for general government	Per capita	Amount	Per cent of total for general government	Per capita	Amount	Per cent of total for general government	Per capita
\$ 4,796	2.6	\$0.32	\$ 24,866	13.7	\$1.68	\$ 28,435	15.7	\$1.92	\$ 19,183	10.6	\$1.30
15,958	3.6	0.26	37,063	8.3	0.60	69,385	15.5	1.12	81,892	18.4	1.33
47,553	6.3	0.38	62,678	8.3	0.50	122,993	16.3	0.97	86,041	11.4	0.68
105,556	8.8	0.37	110,784	9.2	0.39	221,103	18.4	0.78	115,383	9.6	0.41
309,956	10.3	0.43	296,394	9.9	0.41	466,771	15.6	0.65	534,999	17.8	0.75
276,104	7.9	0.29	308,847	8.9	0.33	604,491	17.4	0.64	574,351	16.5	0.60
759,923	8.4	0.35	840,632	9.3	0.39	1,513,178	16.7	0.70	1,411,848	15.6	0.66
1,501,163	15.0	0.52	1,027,854	10.3	0.36	1,917,842	19.2	0.66	1,272,994	12.8	0.44
\$2,261,086	11.9	\$0.45	\$1,868,486	9.8	\$0.37	\$3,431,020	18.0	\$0.68	\$2,684,843	14.1	\$0.53

* Coroner, surveyor, and purchasing agent.
Source of data: Computations by author based on "Financial transactions."

in the case of counties in group IV, it is less than one-sixth, and in the case of the metropolitan counties less than one-seventeenth of that for group I.

Among the various components of general government, expenditure for legislative offices shows the most pronounced decreasing-cost tendency with increasing county size (fig. 18). That it should decrease through the whole range of counties in contrast with other items, rather than in a pronounced manner for the smaller counties alone, is not strange in view of the function involved. While, as earlier indicated, higher salaries, including those of the supervisors,³⁹ are general in the larger counties and the staff of the county clerk is somewhat expanded, these increases do not keep pace with increasing size in the same way as

³⁹ California Commission on County Home Rule. Final report. p. 112-136. California State Printing Office, Sacramento. 1931.

demands on the offices of assessor and tax collector or other finance offices. The result is a regular and sustained decline in the per-capita expenditure for the board of supervisors as the unit administered becomes larger.

COMPARATIVE PER-CAPITA EXPENDITURE FOR VARIOUS FUNCTIONS INCLUDED UNDER GENERAL GOVERNMENT BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32



Fig. 18.—Per-capita expenditures for all of the functions coming under general government show a decrease in passing from the smaller to the larger counties. (Data from table 16.)

Elections, over the period considered, accounted for an annual average of 7.2 per cent of the general government expenditure for the 54 counties, and a slightly higher proportion for all counties combined. Save for the metropolitan counties, a general decrease in the comparative, or per-capita, levels for this item is to be noted in passing from the small

counties to the larger ones. While this is not a large item of expenditure it is significant that there is a drop of approximately 38 per cent in the per-capita cost for elections, exclusive of the services performed by the county clerk in preparing registration lists, in passing from group I to group II, and subsequent declines bring the level for group IV to less than half of that for group I. For this item again there is little evidence of factors other than that of size, in terms of total population, influencing the level of expenditure. Counties with sparse population but of considerable area do not show expenditure for this item at variance with smaller and more densely populated counties of similar total population.⁴⁰ On the other hand, the high cost of setting up the machinery for this function with a small population is illustrated by the per-capita expenditure of \$0.80 by Sierra, \$0.82 by Mono, and \$1.68 by Alpine, respectively—the third smallest, second smallest, and smallest county of the state.

With the exception of “general government buildings and ‘outlays’ ” the remaining items of expenditure under general government are of a slightly different order from those hitherto considered. Remaining items combine a greater degree of service with the purely administrative function or, as in the case of the expenditure for “judicial offices,” are almost entirely for the performance of services.

Expenditure for other *executive offices*, which covers chiefly the support of the coroner, surveyor, and purchasing agent, involves 8.4 per cent of the general government total for the 54 counties. There is little in the way of a definite trend in the comparative levels of this expenditure among the 54 counties, although some increase is to be noted in the proportion of all general government expenditures devoted to these offices by the groups of larger counties. For the metropolitan counties in particular there are sharp increases in the per-capita expenditure and in the proportion of the total general government budget. The activities of the coroner’s office apparently increase, as might be expected, roughly in proportion to the population. Centralized purchasing, however, appears to be of chief importance in raising the expenditure levels for this group of offices in the large counties. It is perhaps unnecessary to point out that an increased comparative expenditure under this last item may well indicate much more than commensurate economy in the expenditures of the county as a whole.

The expenditure for district attorney, listed in table 16 as for *law*

⁴⁰ Thus the per-capita expenditure for Shasta County was \$0.39 and for Tehama \$0.41 which compares favorably with \$0.45 for Sutter and \$0.45 for Yuba. The latter pair of counties, with approximately the same total population as the first mentioned, have but a fraction of the physical area and a population that is several times more concentrated.

offices, is perhaps the best illustration of the high cost of statutory maintenance of offices in the very small counties. For the 54 counties this office involved an average expenditure of \$840,632 for the period covered, amounting to 9.3 per cent of the general government total and \$0.39 per capita. In contrast with this, the counties in group I expended 13.7 per cent of their general government total for the support of the district attorney or \$1.68 per capita. This was more than four times the 54-county per capita, and nearly three times as much as the per-capita expenditure of counties in group II with populations between 5,000 and 10,000. A further decline of 16 per cent is to be noted from counties in group II to those in group III, and of 33 per cent between group II and group IV. In this item, the sparsely populated mountainous counties that have, however, a large area and, hence, considerable population again show no significant deviation in comparative expenditure from the smaller area and more densely populated valley counties with which they are grouped. Here, likewise, the comparative levels of expenditure again soar to almost fantastic levels in the very small counties with a per capita of \$1.90 for Mono, \$2.43 for Del Norte, and \$4.90 for Alpine.

For the 54 counties the second largest expenditure coming under general government is that listed in table 16 for *judicial offices*, amounting to an annual average for the period considered of \$1,513,178 or 16.7 per cent of the total for general government. This expenditure covers the county's share in the salary of the Superior Court judge, support of the Superior and Justice courts, including witness and trial jury fees, support of the grand jury, and maintenance of the law library. It has been left to this point in the discussion of general government because it embraces a major degree of service in contrast with the greater or lesser degree of administrative character of the subjects of expenditure previously discussed. It covers, in short, functions which the county exists to perform rather than those which it performs to exist.

Although expenditure for administration of justice occupies a slightly larger proportion of the total general government expenditure in the larger counties, the typically rapid decline in per-capita levels in passing from smaller to larger counties is again apparent. Likewise there is a leveling out as the very large units are reached. In comparison with the 54-county per capita of \$0.70, counties in group I devote \$1.92 to this function and counties in group II, \$1.12. For counties in group III there is a further drop in per-capita expenditure to \$0.97 and subsequent, although less abrupt, declines bring the level for groups V and VI to about one-third of that for group I.

Expenditure for administration of justice is not solely for a service to persons, and hence the per-capita basis of comparison does not have

quite the same justification as in the case of other general government items devoted to the provision for administration and services which are, in total for the county, perhaps 80 per cent for persons (page 34). On the other hand, it is difficult to see how the differences in wealth or property, as between large and small counties, could account for the differences in per-capita levels as shown. And once again the soaring figures for the counties of very small population are indicative of a close relation with the size of the unit involved, as measured by population.

The final item, listed as *general government buildings and "outlays"* may be disposed of rather briefly. Amounting to \$1,411,849 or 15.6 per cent of the total general government expenditure for the 54 counties, this expenditure is by no means a negligible part of the total. Inasmuch however, as it includes an inseparable element of capital expenditure for certain counties which may well show through the three-year average, only the broadest of generalizations may be made. There is some indication that the smaller counties have a higher comparative level of expenditure for the maintenance of the courthouse than do the larger counties, although there is no consistent trend in the proportion of the budget devoted to this item in passing from smaller counties to the larger ones. Data for the individual counties show considerable irregularity, and consequently the figures for the county groups as a whole are somewhat lacking in signifi-
cance.

In concluding the consideration of the various items comprising general government, it is fitting to say that among all of the expenditures of the county this is probably the most thought-provoking, in light of the expenditure situation, which exists. Both for the item as a whole and for its component parts, evidence is abundant that the geographically imaginary lines which demark certain of the counties of the state, however real they may be to local pride and vested interest, are contributing to a highly uneconomical surplus of administrative (and service) machinery. Part of this surplus, we have seen, undoubtedly owes existence to laws formulated for all counties alike. A larger though less tangible part is probably inevitable, in the nature of the case, as long as counties and county boundaries remain as they are.

EXPENDITURE FOR PROTECTION TO PERSONS AND PROPERTY

For the period 1929-30 to 1931-32, the average annual expenditure for the services of the county coming under the heading of protection to persons and property amounted to \$5,533,551 or 4.6 per cent of the total expenditures of the 54 counties (table 17). For all counties of the state, expenditure for this item totaled \$13,153,990 or 4.9 per cent of

TABLE 17

AMOUNT, PER CENT OF ALL EXPENDITURES, AND PER-CAPITA LEVELS OF EXPENDITURE
FOR PROTECTION TO PERSONS AND PROPERTY BY GROUPS OF CALIFORNIA
COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

Counties and groups of counties	Amount	Percent of all expend- itures	Per capita	Counties and groups of counties	Amount	Percent of all expend- itures	Per capita
Group I, 0-5,000....	\$ 64,825	5.6	\$4.38	Group IV (<i>Cont.</i>)			
Alpine.....	2,334	4.4	9.68	Butte.....	\$ 83,382	4.2	\$2.44
Mono.....	7,648	7.5	5.62	Merced.....	154,203	6.7	4.20
Sierra.....	5,469	3.5	2.26	Santa Cruz.....	96,372	5.3	2.57
Trinity.....	11,058	6.1	3.94				
Mariposa.....	11,237	5.2	3.48	Group V, 40,000-			
Del Norte.....	27,079	6.1	5.71	80,000.....	1,920,631	4.9	2.70
				Solano.....	81,949	4.9	2.01
Group II, 5,000-				Marin.....	69,662	3.3	1.67
10,000.....	199,897	5.4	3.24	Humboldt.....	143,604	6.0	3.32
Calaveras.....	20,911	5.6	3.48	Monterey.....	142,800	4.1	2.66
Inyo.....	26,211	5.9	4.00	Ventura.....	240,788	6.1	4.38
Lake.....	29,908	5.7	4.18	Stanislaus.....	155,522	5.4	2.74
Plumas.....	21,603	4.0	2.73	Imperial.....	157,780	6.1	2.59
Modoc.....	30,747	6.2	3.83	Sonoma.....	108,944	3.6	1.75
El Dorado.....	22,112	4.9	2.66	Santa Barbara.....	242,040	5.2	3.71
Amador.....	14,418	4.4	1.70	San Mateo.....	121,999	3.3	1.57
Tuolumne.....	33,987	6.4	3.67	Tulare.....	228,107	5.7	2.94
				Contra Costa.....	227,436	4.8	2.89
Group III, 10,000-							
20,000.....	199,897	5.4	3.24	Group VI, 80,000			
Colusa.....	42,677	4.8	4.16	and over.....	2,106,140	4.1	2.22
Nevada.....	25,274	5.9	2.38	Riverside.....	275,702	6.4	3.40
Glenn.....	60,432	7.0	5.53	Kern.....	237,977	3.6	2.88
San Benito.....	31,933	5.2	2.82	San Joaquin.....	264,603	5.1	2.57
Yuba.....	46,259	5.7	4.88	Orange.....	374,103	4.6	3.15
Lassen.....	43,275	5.8	3.44	San Bernardino.....	351,530	5.6	2.62
Tehama.....	53,544	6.5	3.86	Sacramento.....	189,751	3.1	1.34
Shasta.....	53,996	6.4	3.88	Fresno.....	248,611	3.3	1.72
Sutter.....	51,180	4.6	3.50	Santa Clara.....	163,857	2.3	1.13
Madera.....	58,714	5.8	3.42				
				Total, 54 counties	5,533,551	4.6	2.57
Group IV, 20,000-				Metropolitan			
40,000.....	774,774	4.9	2.74	group.....	7,620,439	5.1	2.63
Napa.....	52,704	5.0	2.30	San Diego.....	428,085	4.1	2.04
Mendocino.....	63,052	4.8	2.68	Alameda.....	498,856	2.5	1.05
Yolo.....	61,253	4.3	2.59	Los Angeles.....	6,693,498	5.6	2.04
Placer.....	42,806	3.9	1.75				
Kings.....	60,688	4.3	2.39	Total, all coun-			
Siskiyou.....	63,990	5.3	2.51	ties*.....	\$13,153,990	4.9	\$2.61
San Luis Obispo	\$ 96,324	4.6	\$3.25				

* Excluding City and County of San Francisco.

Source of data: Computations by author based on "Financial transactions."

all expenditure—a slightly higher proportion than when the metropolitan counties are excluded. Examination of the place this expenditure has in the total disbursements of the various county groups fails to show, at first glance, such striking contrasts as have been apparent for earlier items. Group I expends 5.6 per cent of its total for this item, with a

drop to 5.4 per cent for groups II and III, and a further drop to 4.9 per cent for groups IV and V. Group VI reaches the minimum with 4.1 per cent of the total for this group of services. When compared with general

COMPARATIVE PER-CAPITA EXPENDITURE AND PROPORTION OF ALL EXPENDITURE FOR PROTECTION TO PERSONS AND PROPERTY BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

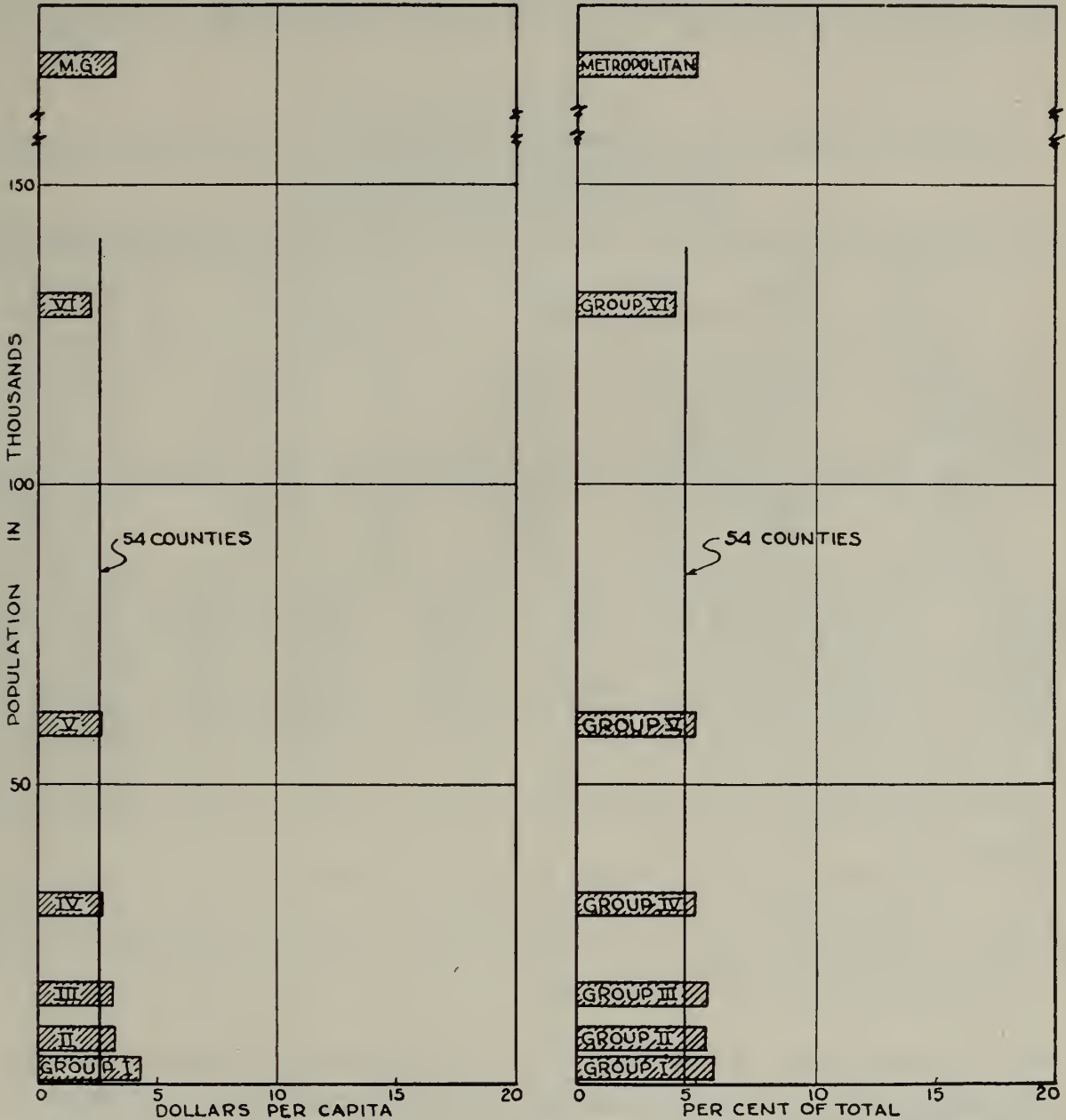


Fig. 19.—From the smaller to the larger counties there is little variation in the proportion of expenditure devoted to protection to persons and property, although there is some decrease in per-capita expenditures. As shown by figure 20, however, there is a marked variation in the composition of the expenditure. (Data from table 17.)

government, the proportion of all expenditures devoted to protection to persons and property by the various groups of counties are seen to be relatively uniform. This uniformity is well illustrated in figure 19.

Turning to comparative, or per-capita, levels of expenditure and again recalling the higher levels of comparative total expenditure for

the small county, a more substantial downward trend is to be noted from the small counties to the larger. Counties in group I expend a per capita of \$4.38 for this item and the decline to groups II and III of \$1.14 is substantial. A further decline of approximately \$0.50 to a per capita of \$2.74 and \$2.70 occurs for counties in groups IV and V, and group VI shows a further decline to \$2.22. Comparative, or per-capita, expenditure for this group of counties is thus about half of that for group I

TABLE 18

DETAIL OF EXPENDITURE FOR PROTECTION TO PERSONS AND PROPERTY BY GROUPS
OF CALIFORNIA COUNTIES,
AVERAGE ANNUAL 1929-30 TO 1931-32

Classifications Concluded on Opposite Page

County group	Sheriff			Constables			County jails			County recorder		
	Amount	Per cent of total for protection to persons and property	Per capita	Amount	Per cent of total for protection to persons and property	Per capita	Amount	Per cent of total for protection to persons and property	Per capita	Amount	Per cent of total for protection to persons and property	Per capita
Group I.....	\$ 24,883	38.4	\$1.68	\$ 3,045	4.7	\$0.21	\$ 4,431	6.8	\$0.30	\$ 8,561	13.2	\$0.58
Group II.....	58,336	29.2	0.94	15,293	7.7	0.25	24,460	12.2	0.40	25,643	12.8	0.42
Group III.....	116,951	25.0	0.92	33,134	7.1	0.26	31,578	6.8	0.25	41,161	8.8	0.33
Group IV.....	150,220	19.4	0.53	74,682	9.6	0.26	72,156	9.3	0.26	85,292	11.0	0.30
Group V.....	380,231	19.8	0.53	151,753	7.9	0.21	157,161	8.2	0.22	202,340	10.5	0.28
Group VI.....	477,028	22.6	0.50	164,739	7.8	0.17	226,937	10.8	0.24	260,850	12.4	0.28
54 counties.....	1,207,649	21.8	0.56	442,646	8.0	0.21	516,723	9.3	0.24	623,847	11.3	0.29
Metropolitan group.....	1,675,024	22.0	0.58	340,667	4.5	0.12	886,175	11.6	0.31	741,782	9.7	0.25
All counties*.....	\$2,882,673	21.9	\$0.57	\$783,313	6.0	\$0.16	\$1,402,898	10.7	\$0.28	\$1,365,629	10.4	\$0.27

* Excluding City and County of San Francisco.

and about two-thirds of that for group II. For the metropolitan counties there is an increase of \$0.39 in the per-capita expenditure for protection to persons and property.

The interesting features of the expenditure for protection to persons and property as between different counties, however, rest not in the total expenditure figures for this item, but in the distribution to the individual services coming under this heading. The composite character of expenditure for protection to persons and property has been noted on page 21 and, likewise, the possibility of recognizing two logically distinct classes of services thereunder—the criminal (and civil) services of the sheriff, constables, and jail, and the multitude of rather miscel-

laneous services which have been added to the agenda of county activities from time to time and which have been briefly described herein as services for economic welfare.

Table 19 and figure 20 show in striking fashion the difference in the division of expenditure between the above groups of services in the small and large counties. Counties in groups I and II devote approximately half of their total expenditures for protection to persons and

TABLE 18—(Concluded)

DETAIL OF EXPENDITURE FOR PROTECTION TO PERSONS AND PROPERTY BY GROUPS
OF CALIFORNIA COUNTIES,
AVERAGE ANNUAL 1929-30 TO 1931-32

Agricultural commissioner and farm advisor			Inspection services, game and fire protection, bounties, etc.			Compensation insurance			Outlays		
Amount	Per cent of total for protection to per- sons and property	Per capita	Amount	Per cent of total for protection to per- sons and property	Per capita	Amount	Per cent of total for protection to per- sons and property	Per capita	Amount	Per cent of total for protection to per- sons and property	Per capita
\$ 3,937	6 1	\$0.27	\$ 11,925	18 4	\$0.80	\$ 5,704	8.8	\$0.38	\$ 2,339	3.6	\$0.16
27,442	13.7	0.44	31,502	15.7	0.51	13,726	6.9	0.22	3,495	1.8	0.06
99,793	21.4	0.79	100,852	21.5	0.80	21,982	4.7	0.17	21,833	4.7	0.17
195,781	25 3	0.69	150,426	19.4	0.53	34,826	4.5	0.12	11,391	1.5	0.04
497,527	25.9	0.70	335,984	17.5	0.47	82,068	4.3	0.12	113,567	5.9	0.16
435,548	20.7	0.46	426,122	20.2	0.45	65,459	3.1	0.07	49,457	2.4	0.05
1,260,028	22.8	0.59	1,056,811	19.1	0.49	223,765	4.0	0.10	202,082	3.7	0.09
370,643	4.9	0.13	1,700,671	22.3	0.58	124,878	1.7	0.04	1,780,599	23.3	0.62
\$1,630,671	12.4	\$0.32	\$2,757,482	21.0	\$0.55	\$348,643	2.6	\$0.07	\$1,982,681	15.0	\$0.39

Source of data: Computations by author based on "Financial transactions."

property to support of the *sheriff, constables, and jail*, while the varied services of economic welfare accounted for less than 38 per cent of the total.⁴¹ Increasing population, however, brings a pronounced shift in the importance of these two groups until with group IV nearly 56 per cent of the total is for economic welfare, while the sheriff, constables, and jails account for but 38 per cent. For the larger counties there is again some increase in the proportion of expenditure for the latter items.

Examination of table 18 for the basis of the high proportion of protection to persons and property expenditure devoted to sheriff, con-

⁴¹ In each case compensation insurance and "outlays" (Appendix A, page 102) make up the remainder of the expenditure for protection to persons and property. See table 18.

stables, and jails in the smaller counties shows that it is the expenditure for support of the statutory office of sheriff which is chiefly responsible. Counties in group I expend 38.4 per cent of the total for protection to

DISTRIBUTION OF EXPENDITURE FOR PROTECTION TO PERSONS AND PROPERTY BETWEEN THE SHERIFF AND RELATED SERVICES AND SERVICES TO ECONOMIC WELFARE, BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

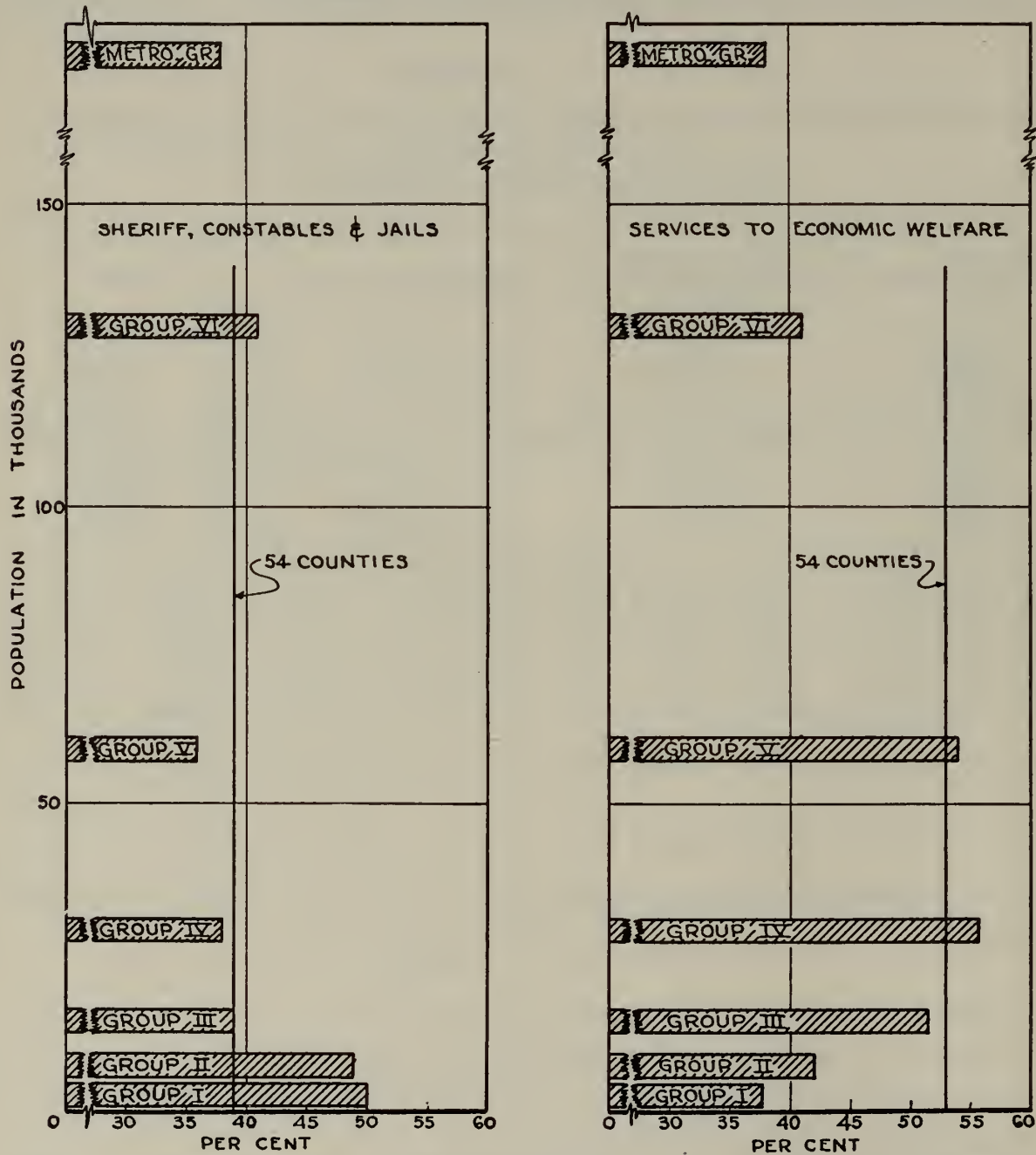


Fig. 20.—Smaller counties expend a larger proportion of the total expenditure for protection to persons and property for the support of the sheriff, constables, and jails than do the counties of medium and larger size. The varied services to economic welfare command the largest share of the total in the medium-sized counties. (Data from table 18.)

persons and property for the support of this office, which amounts to a per-capita expenditure of \$1.68. A steady decline in this proportion is observed in passing to the larger counties until group IV is reached

with but 19.4 per cent of the total expenditure for this office. Likewise there is a drop in the per-capita expenditure for the sheriff in group IV to less than one-third of that expended by counties in group I and to but little over a half of that expended by group II. It is interesting to note that in the case of the two largest groups, expenditure for law enforcement, particularly for the sheriff, tends to regain some of the importance in comparison with total expenditure that it has in the very small counties.

TABLE 19

EXPENDITURE FOR PROTECTION TO PERSONS AND PROPERTY BY MAJOR DIVISIONS*
AVERAGE ANNUAL 1929-30 TO 1931-32

County group	Sheriff, constables, and jails			Services for economic welfare		
	Amount	Per cent of total for protection to persons and property	Per capita	Amount	Per cent of total for protection to persons and property	Per capita
Group I.....	\$ 32,359	49.9	\$2.19	\$ 24,423	37.7	\$1.65
Group II.....	98,089	49.1	1.59	84,587	42.3	1.37
Group III.....	181,663	38.9	1.43	241,806	51.7	1.91
Group IV.....	297,058	38.3	1.05	431,499	55.7	1.52
Group V.....	689,145	35.9	0.97	1,035,851	53.9	1.45
Group VI.....	868,704	41.2	0.91	1,122,520	53.3	1.18
54 counties.....	2,167,018	39.1	1.01	2,940,686	53.1	1.37
Metropolitan group.....	2,901,866	38.1	1.00	2,813,096	36.9	0.97
All counties†.....	\$5,068,884	38.5	\$1.00	\$5,753,782	43.7	\$1.14

* Compensation insurance and "outlays" are not included under either division in this table, although they comprise a part of the expenditure for protection to persons and property in the State Controller's classification followed here.

† Excluding City and County of San Francisco.

Source of data: Computations by author based on "Financial transactions."

With the high proportion of protection-to-persons-and-property expenditure for the statutory office of sheriff in the smaller counties, there is naturally a correspondingly lower proportion of expenditures for certain of the services to economic welfare.

Since the office of *recorder* among the latter is a statutory one, previous experience would not indicate that there would be a lower proportion of protection-to-persons-and-property expenditure for this item in the smaller counties. Examination of table 18 shows that such expectations are sustained in part at least. The smaller county groups in the main spend a slightly higher proportion of their total protection-to-persons-and-property expenditure for the services of recorder, and the per-capita expenditure is of course definitely higher for the small counties. An interesting observation is that whereas in the larger counties (and for counties as a whole) the fees collected by the recorder for serv-

ices rendered⁴² are generally equal or more than equal to the expenditure for this office, in the smaller counties the expenditure generally outruns the collections. Once again we find an apt illustration of the statutory surplus of machinery in relation to business for the small county.

It is in the expenditure for *agricultural commissioner* and *farm advisor*⁴³ that the smaller counties compensate for the high proportion of expenditure for protection to persons and property devoted to the statutory functions, particularly the sheriff. For the 54 counties, expenditure for these services amounted to \$1,260,028, or nearly 23 per cent of the total for protection to persons and property—equivalent to a per-capita expenditure of \$0.59. The counties in group I expended but 6.1 per cent for such services⁴⁴ and those in group II but 13.7 per cent. A further increase in proportion of the total for these services occurs with group III, and a per-capita peak of \$0.79 per capita is reached. This group, containing a number of the smaller valley counties, is the first among the various groups to undertake a reasonably complete provision of farm advisor and commissioner services. In comparison with the larger counties the comparatively small number of people supporting these services in this group of counties results in a relatively high per-capita expenditure. With group IV and group V the proportion of expenditure for agricultural commissioner and farm advisor comes to exceed one-quarter of the total expenditure for protection to persons and property. For these counties it thus becomes the largest of the individual items in table 18, although the per-capita levels remain below that of group III. From group V there is a decline in both the proportion of all expenditure and in the per-capita levels for farm advisor and agricultural commissioner.

The 54 counties expend \$1,056,811, or 19.1 per cent of the protection-

⁴² Disregard of the sources of expenditure has been a necessary policy in connection with this study so that it might be kept within manageable proportions. Where fees are collected to cover the services rendered, this narrowing of the field causes some logical difficulty, most apparent in the case of the recorder, but also of some significance for the county clerk, the justices of the peace, and, to a very minor degree, in the case of the sheriff.

⁴³ The policy of the Office of the State Controller in compiling data on the financial transactions of counties has been to keep as constant as possible the manner of compilation and presentation in order to enhance the value of year-to-year comparisons. From the standpoint of statistical use, such a policy is wholly justifiable, but substantial improvements might be made without loss of time-series value. The combination of expenditure for farm advisor and horticultural commissioner is a case in point. By combining these two very considerable items of expenditure in the State Controller's reports, the possibility of gaining statistical information about either is completely removed. Separate presentation, on the other hand, would destroy none of the year-to-year comparability while adding this new information with respect to the expenditures in question.

⁴⁴ As a matter of fact but one county (Del Norte) in this group undertakes to provide for farm advisor services and that in coöperation with a neighboring county.

to-persons-and-property total for the services listed in table 18 as *inspection services, game and fire protection, bounties, etc.* In detail, this covers the inspection of livestock, bees, oil wells, weights and measures, together with forest and fire protection, bounties on predatory animals, and provision for the services of public administrator⁴⁵ and game warden. Counties in the two smallest population groups spend a somewhat smaller proportion of the total for these services although the per-capita levels are above those of the 54 counties. The variety of these services in the smaller counties is also somewhat more limited than in the medium-sized and larger counties.

As a general conclusion to the examination of expenditure for protection to persons and property it may be noted that the smaller counties devote the major portion of expenditure under this heading to the statutory and traditional offices. Once again there is considerable evidence of unused overhead in these offices in the smaller counties. In the larger counties, expenditures for statutory offices shrink in relative importance, while services to the economic life of the county are increased in quantity and multiplied in variety. It is to be granted, of course, that many of these latter services might not be justified in the types of counties that are included in the smaller population groups. The weight of expenditure for the statutory and traditional county functions in the smaller counties indicates, however, that this is the really important reason for the elimination of other services together with difficulty in providing certain of them for very small units. In any case, it is unfortunate that the smaller counties, though not getting the same volume of services as the larger, should be paying about as much per capita.

EXPENDITURE FOR HEALTH AND SANITATION⁴⁶

The expenditure for health and sanitation covers support of the health officer, expenditure for control of contagious disease, eradication of disease carriers, sanitary inspection, compilation of vital statistics, and a few other relatively minor functions of similar character. For the 54 counties during the period 1929-30 to 1931-32, these expenditures amounted to an average of \$1,935,074 or 1.6 per cent of the total expenditure—approximately one-third of that for protection to persons and property. For all counties the expenditure for protection of health was \$5,007,561 or 1.9 per cent of the total (table 20). The position of this

⁴⁵ This office, involving an expenditure for most counties of a few hundred dollars annually, may appear out of place. Broadly speaking, however, it is a service to economic welfare and is conveniently included at this point.

⁴⁶ This expenditure represents the combination of two expenditure items as entered in the compilations of the State Controller. These are "conservation of health" and "sanitation and promotion of cleanliness."

TABLE 20

AMOUNT, PER CENT OF ALL EXPENDITURES, AND PER-CAPITA LEVELS OF EXPENDITURE
FOR HEALTH AND SANITATION BY GROUPS OF CALIFORNIA COUNTIES,
AVERAGE ANNUAL 1929-30 TO 1931-32

Counties and groups of counties	Amount	Per cent of all expend- itures	Per capita	Counties and groups of counties	Amount	Per cent of all expend- itures	Per capita
Group I, 0-5,000...	\$ 2,485	0.2	\$0.17	Butte.....	\$ 9,333	0.5	\$0.27
Alpine.....	104	0.3	0.31	Merced.....	129,520	5.6	3.52
Mono.....	5	*	*	Santa Cruz.....	9,738	0.5	0.26
Sierra.....	162	0.1	0.07				
Trinity.....	459	0.3	0.16	Group V, 40,000-			
Mariposa.....	265	0.1	0.08	80,000.....	686,357	1.7	0.96
Del Norte.....	1,490	0.3	0.31	Solano.....	19,453	1.2	0.48
				Marin.....	42,923	2.0	1.03
Group II, 5,000-				Humboldt.....	66,784	2.8	1.54
10,000.....	30,662	0.8	0.50	Monterey.....	30,467	0.9	0.57
Calaveras.....	1,880	0.5	0.71	Ventura.....	42,745	1.1	0.78
Inyo.....	1,274	0.3	0.19	Stanislaus.....	56,147	1.9	0.99
Lake.....	2,373	0.4	0.33	Imperial.....	10,952	0.4	0.18
Plumas.....	5,052	0.9	0.64	Sonoma.....	9,354	0.3	0.15
Modoc.....	1,040	0.2	0.13	Santa Barbara.....	47,352	1.0	0.72
El Dorado.....	4,759	1.1	0.57	San Mateo.....	199,003	5.3	2.57
Amador.....	5,594	1.7	0.62	Tulare.....	83,761	2.1	1.08
Tuolumne.....	8,690	1.6	0.94	Contra Costa.....	77,416	1.6	0.99
Group III, 10,000-				Group VI, 80,000			
20,000.....	90,304	1.1	0.71	and over.....	815,486	1.6	0.86
Colusa.....	9,587	1.1	0.93	Riverside.....	27,303	0.6	0.34
Nevada.....	3,060	0.7	0.29	Kern.....	156,275	2.4	1.89
Glenn.....	869	0.1	0.08	San Joaquin.....	253,794	4.9	2.47
San Benito.....	12,814	2.1	1.13	Orange.....	69,785	0.9	0.59
Yuba.....	11,155	1.4	0.98	San Bernardino.....	12,802	0.2	0.10
Lassen.....	945	0.1	0.08	Sacramento.....	141,054	2.3	0.99
Tehama.....	5,327	0.6	0.38	Fresno.....	121,741	1.6	0.84
Shasta.....	2,332	0.3	0.17	Santa Clara.....	32,732	0.5	0.23
Sutter.....	8,358	0.8	0.57				
Madera.....	35,857	3.5	2.09	Total, 54 counties	1,935,074	1.6	0.90
Group IV, 20,000-				Metropolitan			
40,000.....	309,780	2.0	1.09	group.....	3,072,487	2.1	1.06
Napa.....	5,819	0.5	0.25	San Diego.....	138,388	1.3	0.66
Mendocino.....	2,366	0.2	0.01	Alameda.....	271,391	1.4	0.57
Yolo.....	33,183	2.3	1.40	Los Angeles.....	2,662,708	2.2	1.21
Placer.....	23,163	2.1	0.95				
Kings.....	23,900	1.7	0.94	Total, all coun-			
Siskiyou.....	609	*	0.02	ties†.....	\$ 5,007,561	1.9	\$0.99
San Luis Obispo	\$ 72,149	3.4	\$2.44				

* Less than 0.1 per cent.

† Excluding City and County of San Francisco.

Source of data: Computations by author based on "Financial transactions."

expenditure in the general total may be visualized by comparison of the \$0.90 per capita involved for the 54 counties with the per-capita expenditure for all functions of \$55.46.

Although a relatively minor item, the place of expenditure for health

services is by no means similar for all counties. In fact, this expenditure in contrast with almost all of those so far considered shows a marked increase in comparative per-capita levels in passing from the very small to the medium and large counties. The amount expended for health services by counties in group I is virtually nominal, amounting to but 0.2 per cent of the total expenditure and a per capita of \$0.17. Counties in group II likewise show a very small expenditure for this service, although the proportion of the total expenditure shows an increase to 0.8 per cent with a per capita of \$0.50. Counties in group III and group IV show further increases both in the proportion of the total budget devoted to this item and in the per-capita levels. The 2.0 per cent of the total devoted to health by counties in group IV, amounting to a per-capita expenditure of \$1.09, represents a peak among the various groups.

While there is much variation in the per-capita levels of expenditure and in the proportion of the total expenditure devoted to health services, there is no doubt of the marked increase from the small to the medium-sized and larger counties. The most obvious, and probably most important factor basic to this higher expenditure by the larger counties is that many of the health services have been added to the list of county activities in comparatively recent times and as a result of a fairly modern concern for matters pertaining to public health. This latter is especially true in the rural areas. The counties which support health services are those whose budgets have not been overstrained by the traditional and statutory county services, or, in short, the large counties. Here is an example of an entire function being crowded from the budget and services of the smaller counties. There can be little doubt, however, that the need for certain of the health services here included is more acute in the very populous counties than in those of more sparse settlement.

RECREATIONAL AND MISCELLANEOUS EXPENDITURES

Expenditures for recreation and for miscellaneous county functions are not wholly susceptible to statistical appraisal of the present order. The first of these items, covering expenditure for purchase and maintenance of parks and support of museums, art galleries, and celebrations, amounted to an average of \$737,830 or 0.6 per cent of the total expenditure of the 54 counties (table 8). The metropolitan counties expended 1.0 per cent of their collective total for this function bringing the all-county expenditure to \$2,178,372 or 0.8 per cent of the total expenditure. There is, however, a relatively large variation of the proportion of the total and comparative levels of this expenditure from county to county. Moreover, the expenditure is not sufficiently large but

that individual county expenditures of special character unduly influence group levels even through the three-year average. Save to note the place of recreational expenditure in the expenditure situation as a whole, this item may be passed by from the standpoint of present interest.

The same situation obtains in a general way for miscellaneous expenditures. Surprisingly small as a group, considering the ordinary possibilities of such a classification, these cover county advertising (other than that of an official character), county exhibits, payments for correction of errors, and a number of smaller items. For the 54 counties, miscellaneous expenditure amounted to \$1,406,362 or 1.2 per cent of the total expenditure for the average of the three years considered (table 8). All counties expended \$4,064,919 or 1.5 per cent of the total. While the variation from county to county is not as great in the case of this item as in the case of expenditure for recreation, it is none the less considerable. There is evidence of a somewhat higher proportion of the total as well as per-capita expenditure on the part of the very small counties. More definite, however, is the higher expenditure by the very large counties, particularly under the influence of expenditure for exhibits and advertising.

EXPENDITURE FOR SERVICE ON INDEBTEDNESS⁴⁷

While, as shown under "Historical Analysis of County Expenditures," there is some danger of overestimating the role of interest payments in the increase in county expenditure over the last decade and a half, the burden of past borrowing does not rest lightly on the combined budgets of California counties. The 54 California counties expended for service on the indebtedness (combining payments on interest and principal)⁴⁸ an average of \$12,771,936 for the three years here considered (table 21). This sum, equivalent to 10.7 per cent of the total expenditure, ranked third among the other expenditure groups, exceeded only by education and highways. For all counties of the state, service on indebtedness amounted to \$29,730,728 or 11.1 per cent of the total expenditure—just enough, when considered in this way, to displace charities and corrections from second place among the various expenditure groups.

The variation in proportion and comparative, or per-capita, levels of

⁴⁷ Expenditure for service on indebtedness, as in the case (most notably) of expenditure for education, includes the expenditures of certain types of districts logically included in the study (page 105). The data available for the analysis of these district expenditures for indebtedness are perhaps the least satisfactory, in point of detailed accuracy, of any here employed. They do serve, however, to give a reasonably satisfactory picture of those broader outlines of the expenditures which are in keeping with the objectives of the present study. The nature and limitations of these data as well as the types of districts included are discussed in detail in Appendix A, page 105.

⁴⁸ See Appendix B, page 108.

expenditure between small and large counties, at this stage anticipated almost as a matter of course, is not lacking in the case of service on indebtedness. The trend, however, with respect to comparative levels is, as in the case of health expenditures, definitely the reverse of that apparent for most of the other expenditure groups. From table 21 and figure 21 it is apparent that the large county and not the small one is shouldering and paying for the largest proportion of indebtedness in comparison with current expenditure and population. From the 3.4 per cent of all

TABLE 21
TOTAL EXPENDITURE FOR SERVICE ON INDEBTEDNESS BY COUNTY GROUPS,
AVERAGE ANNUAL 1929-30 TO 1931-32

County group	Amount	Per cent of total expenditure	Per capita
Group I.....	\$ 40,592	3.4	\$2.73
Group II.....	161,295	4.3	2.61
Group III.....	734,476	9.1	3.81
Group IV.....	1,709,720	10.8	6.04
Group V.....	4,506,259	11.4	6.32
Group VI.....	5,619,591	10.9	5.91
54 counties.....	12,771,936	10.7	5.94
Metropolitan group.....	16,958,792	11.3	5.86
All counties*.....	\$29,730,728	11.1	\$5.89

* Excluding City and County of San Francisco.
Source of data: Computations by author based on "Financial transactions."

expenditures devoted to debt service by counties in group I, there is an increase by nearly 1 per cent to group II, and the proportion expended by the latter group is more than doubled in passing to group III. Counties in group IV, standing at about the average for all counties, expend more than three times as great a proportion of all expenditures for service on indebtedness as do counties in group I, and more than two and one-half times as high a proportion as counties in group II. From this point, however, there is a less noticeable change. The group V counties show an increase of 0.6 per cent in the proportion of total for debt service over group IV to the high point for the various county groups. There is a slight decline in the proportion for group VI with another increase for the metropolitan counties.

Since the smaller counties have a considerably higher per-capita total expenditure than the larger,⁴⁹ the difference in per-capita levels for

⁴⁹ Pages 35 to 39. With respect to the use of per-capita figures as a basis of comparing volume of expenditure for service on indebtedness, the dominant position of school construction as the original subject of this expenditure has already been noted. From this standpoint, and within the limits previously established, per-capita figures are a valid basis for comparing the volume of expenditure for different counties.

service on indebtedness between small and large counties is less marked than that of percentage or proportion of total expenditure. The contrast, however, is none the less considerable. From a per-capita level of \$2.73 for group I there is a decrease of \$0.12 to \$2.61 for group II, and

COMPARATIVE PER-CAPITA EXPENDITURE AND PROPORTION OF ALL EXPENDITURE FOR SERVICE ON INDEBTEDNESS BY GROUPS OF CALIFORNIA COUNTIES, AVERAGE ANNUAL 1929-30 TO 1931-32

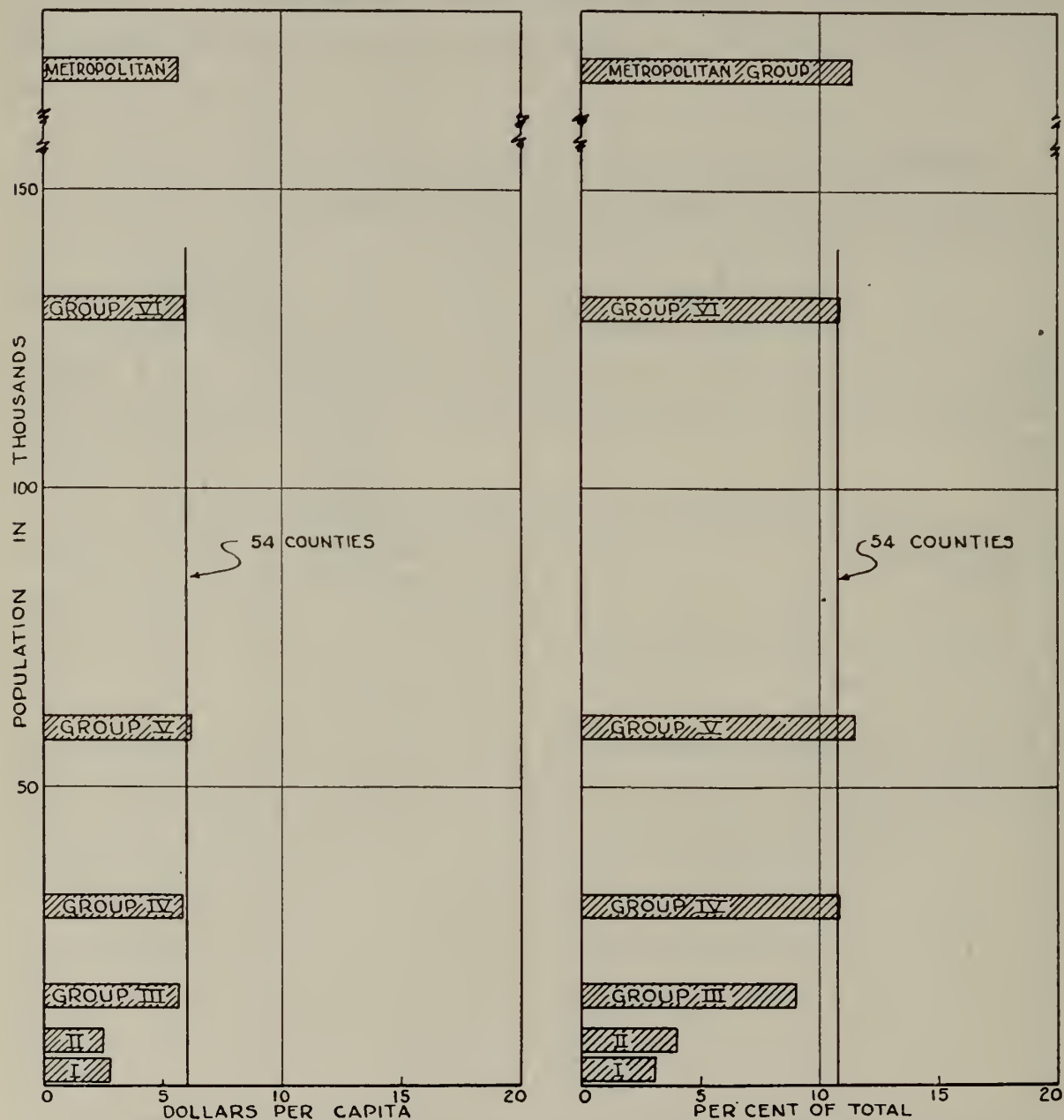


Fig. 21.—This figure shows clearly the greater volume of indebtedness supported by the larger counties. In both proportion of all expenditure and in per-capita levels a marked increase in expenditure for service on indebtedness is seen in passing from the smaller to the larger counties. (Data from table 21.)

then an unbroken increase up to \$6.32 for group V. In other words, counties in group V spend considerably more than twice as much per capita as counties in either group I or II. For group VI a slight decline in per-capita levels to \$5.91 corresponds closely to the per-capita level for the metropolitan group and for the 54 counties.

TABLE 22
INTEREST PAYMENT BY COUNTY GROUPS FOR COUNTY AND DISTRICT BONDS,
AVERAGE ANNUAL 1929-30 TO 1931-32

County group	Interest on county bonds			Interest on district bonds			Combined interest on county and district bonds		
	Amount	Per cent of total expenditure	Per capita	Amount	Per cent of total expenditure	Per capita	Amount	Per cent of total expenditure	Per capita
Group I.....	\$ 6,123	0.5	\$0.41	\$ 7,603	0.7	\$0.51	\$ 13,726	1.2	\$0.92
Group II.....	19,450	0.5	0.31	55,478	1.5	0.90	74,928	2.0	1.21
Group III.....	124,094	1.5	0.98	208,370	2.6	1.65	332,464	4.1	2.63
Group IV.....	265,997	1.7	0.94	526,059	3.3	1.86	792,056	5.0	2.80
Group V.....	639,391	1.6	0.90	1,479,338	3.8	2.07	2,118,729	5.4	2.97
Group VI.....	549,351	1.1	0.58	2,071,168	4.0	2.18	2,620,519	5.1	2.76
54 counties.....	1,604,409	1.4	0.75	4,348,016	3.6	2.02	5,952,425	5.0	2.77
Metropolitan group.....	733,291	0.5	0.25	8,667,264	5.8	3.00	9,400,555	6.3	3.25
All counties*	\$2,337,700	0.9	\$0.46	\$13,015,280	4.8	\$2.58	\$15,352,980	5.7	\$3.04

* Excluding City and County of San Francisco.
Source of data: Computations by author based on "Financial transactions "

For the 54 counties, expenditure for redemption of indebtedness was the heavier of the two charges coming under service on indebtedness. This amounted to \$6,819,511 or 5.7 per cent of the total expenditure as compared with \$5,952,425 or 5.0 per cent for payment of interest (tables 22 and 23). All counties, however, show the reverse of this relation with an expenditure of \$14,377,748 or 5.4 per cent for redemption and \$15,352,980 or 5.7 per cent for interest. In both cases it will be noted that payments for interest and redemption ranged between 5 and 6 per cent of the total expenditure.

Some note has already been made of the importance of district expenditure in the total disbursement for service on indebtedness. For the 54 counties, payment of interest on district indebtedness amounted to \$4,348,016 or 3.6 per cent of the expenditure total as compared with \$1,604,409 or 1.4 per cent for interest on county bonds (table 22). For all counties the proportion of expenditure for district indebtedness was even greater, amounting to 4.8 per cent of the total county expenditure as compared with 0.9 per cent for county indebtedness. Likewise, in the case of redemption of indebtedness for the 54 counties, district expenditure amounted to \$4,899,432 or 4.1 per cent of the total expenditure, while retirement of county indebtedness accounted for but \$1,920,079 or 1.6 per cent (table 23). All counties expended 4.3 per cent of their expenditure total for redemption of district bonds as compared with 1.1 per cent for county indebtedness. For debt service as a whole for the 54 counties, district indebtedness accounted for \$9,247,448 or 7.7 per cent of the total expenditure as compared with \$3,524,488 or 3.0 per cent for county indebtedness. All counties expended 9.1 per cent of their total disbursements for service on district indebtedness as compared with 2.0 per cent for that of the county as a whole.

The relation between district and county expenditure for the service on indebtedness as above cited does not, however, hold constant for all counties (tables 22 and 23). There is a definite tendency for the smaller counties to show a higher ratio of county to district expenditure both for payment of interest and redemption of debt. For group I the expenditure for service on county indebtedness amounted to 2.0 per cent of the total expenditure for the group as compared with 1.5 per cent for district indebtedness. For group II there is a reversal in the position of these two items with county indebtedness accounting for but 1.2 per cent of the total as compared with 3.1 per cent for district indebtedness. Continuing to group III, service on county bonds accounts for 3.1 per cent of the total expenditure as compared with 6.0 per cent for district indebtedness.

From group III through the larger groups it is difficult to detect any

TABLE 23
DEBT REDEMPTION BY COUNTY GROUPS FOR COUNTY AND DISTRICT BONDS,
AVERAGE ANNUAL 1929-30 TO 1931-32

County group	Redemption of county bonds			Redemption of district bonds			Combined redemption of county and district bonds		
	Amount	Per cent of total expenditure	Per capita	Amount	Per cent of total expenditure	Per capita	Amount	Per cent of total expenditure	Per capita
Group I.....	\$ 17,066	1.5	\$1.15	\$ 9,800	0.8	\$0.66	\$ 26,866	2.3	\$1.81
Group II.....	26,000	0.7	0.42	60,367	1.6	0.98	86,367	2.3	1.40
Group III.....	127,475	1.6	1.01	274,537	3.4	2.17	402,012	5.0	3.18
Group IV.....	354,096	2.2	1.25	563,568	3.6	1.99	917,664	5.8	3.24
Group V.....	754,942	1.9	1.06	1,632,588	4.1	2.29	2,387,530	6.0	3.35
Group VI.....	640,500	1.2	0.67	2,358,572	4.6	2.48	2,999,072	5.8	3.15
54 counties.....	1,920,079	1.6	0.89	4,899,432	4.1	2.28	6,819,511	5.7	3.17
Metropolitan group.....	927,333	0.6	0.32	6,630,904	4.4	2.29	7,558,237	5.0	2.61
All counties*.....	\$2,847,412	1.1	\$0.56	\$11,530,336	4.3	\$2.29	\$14,377,748	5.4	\$2.85

* Excluding City and County of San Francisco.

Source of data: Computations by author based on "Financial transactions."

consistent tendency towards increase either in the proportion of the total expenditure devoted to the service on county indebtedness or in the comparative levels of this disbursement. It is true that counties in group IV expend 3.9 per cent of their total disbursements for service on county indebtedness or an increase of 0.8 per cent and \$0.20 per capita over group III. Counties in groups V and VI, however, as well as the metropolitan counties, show actual decreases in both the proportion of the total expenditure devoted to service on county indebtedness and in the per-capita levels of this expenditure.

Expenditure for service on district indebtedness, on the other hand, shows a steady and consistent increase throughout the entire range of county groups. Group IV shows an increase of 0.9 per cent in the proportion of the total devoted to this item over group III and also a small increase in per-capita expenditure. Further and even sharper increases are apparent throughout the remaining groups, bringing the proportion of total expenditure for service on district indebtedness to 7.9 per cent of the total expenditure for group V and to 8.6 per cent for group VI or, in the case of this last group, nearly four times the expenditure for service on county indebtedness.

In turning now to a broader view and appraisal of the expenditure for service on indebtedness as just outlined, it is well to recall two rather obvious facts in connection with public borrowing. The level of indebtedness of a local unit of government, unhampered in this regard by constitutional restriction of such stringency as to become a barrier to popular impulse, is, in the main, dependent on two things. The first of these is the demand for the subject of the expenditure in question, whether rational or otherwise, and tempered by the necessity of subsequent repayment. That this demand is often created by an active minority which stands to profit substantially by the expenditure is important but does not contradict the general proposition. The second factor determining the level of indebtedness is the ease or difficulty with which money is obtained. That the two operate together is of course apparent when it is considered that difficulty of borrowing may reflect through increased interest rate or disutility of repayment.

During most of the period when counties were borrowing the funds upon which service is now being paid, it is difficult to concede that the item of finding an investor was a particularly important problem for the county, large or small. Subject perhaps to a slight interest-rate differential, the small county could place its loans, if not at will, certainly within the bounds of desired borrowing. This would imply that the limiting factor is more likely to be the first mentioned of the factors above cited, i. e., the demand on the part of the unit in question for the subject

of the expenditure as measured against the necessity for repayment with interest.

Further indication that the above is the case grows out of the fact that a large portion of the increase from the smaller to the larger counties in expenditure for service on indebtedness is for district indebtedness. As measured by volume of expenditure for service on indebtedness, school districts are by far the most important types here included (see following paragraph). The increasing proportion of total expenditure for support of schools, in passing from the smaller to the larger counties, has already been pointed out (page 42). As might well be expected, this is accompanied by more elaborate school buildings in the larger counties, which are reflected in turn in the higher bonded indebtedness of school districts upon which the costs of school construction fall. This, combined with perhaps slightly greater faculty for borrowing by districts in the larger counties, is unquestionably the dominant factor in the higher levels of expenditure for interest on indebtedness.

While this higher district expenditure for service on indebtedness incurred for school construction appears responsible for the major part of the higher levels of expenditure for this item in the larger county, there are also contributory items which should not be overlooked. The larger counties have apparently deemed necessary, or demanded, the provision of a considerable variety of other services requiring that district indebtedness be incurred. District organization for road improvement is of chief importance in the larger counties and accounts for a small portion of the higher levels for service on indebtedness in these counties. The same is true (although the restriction to the larger counties is somewhat less marked) for fire prevention, lighting, flood control, and drainage and storm-water removal.⁵⁰ While some of these may be more closely related to the virtually inescapable needs of the more populous community, others are distinctly services which any county, large or small, might undertake to provide for itself with fulfillment of an equivalent want on the part of its residents.

⁵⁰ The combined expenditure of these for service on indebtedness, however, is relatively minor in comparison with expenditure for service on indebtedness on school bonds. The shortage of satisfactory data may be partially overcome by examination of the data on tax collections. In 1932-33 approximately 18.7 million dollars were collected for service on elementary and high school bonds according to the State Controller's data. Service on indebtedness on junior college bonds accounts for perhaps 0.5 to 1.0 million dollars. Total expenditures for service on district indebtedness were approximately 24.5 million, indicating that for all counties combined the variety of districts (other than school) here included expended between 4 and 5 million dollars for service on district indebtedness. Expenditures of Los Angeles County for service on indebtedness of districts other than for school purposes are especially heavy. When the 54 counties are considered, the proportion for miscellaneous district debt service is somewhat smaller. ("Financial transactions." p. 228. 1932-33.)

Levels of district indebtedness for schools and for other purposes are thus indicative of services performed. It well may be that there is here another case of the limitation of services performed in the smaller counties through the choking of demand for them by the higher levels of expenditure for maintaining the administrative machinery and traditional and statutory officers and functions. The county which is out of debt or has a low level of bonded indebtedness is probably justified in considering itself fortunate, other things being equal. Other things are not equal, however, if the bonded indebtedness was kept low because the high levels of expenditure for the more rudimentary county functions and services throttled any thought of adding service on indebtedness to the total.

EXPENDITURE REFORM

Reduction of expenditure has already been mentioned as one of the two avenues by which the distressed taxpayer looks for escape from his tax burden. However, the suggested ways and means of effecting expenditure reduction have been exceedingly numerous in recent years. At this stage in the survey of county expenditures, it is possible to appraise the results and consequences of certain of the suggested means of effecting tax relief through expenditure reduction.

RETRENCHMENT IN EXPENDITURE

Straightforward reduction of expenditures, and thereby taxes, by the simple expedient of spending less money has, for reasons that are more than obvious, always had a definite appeal as an escape from problems of high taxation. If both people and government are prepared to accept the consequences, no amount of argument can hide the fact that expenditures can be reduced in this way. A sane and realistic view of this method of reducing expenditures, however, does take into consideration the consequences. When this is done the problem no longer remains a simple one.

The consequences of expenditure reduction, particularly as they relate to the services performed by the government, vary with the government in question, the amount of the reduction, and the care with which the reduction is effected. Most favorable among the possible consequences of expenditure reduction is an increase in efficiency with which the services are performed and with no impairment in the services. This is the type of expenditure reduction most frequently discussed by candidates for public office, although the rarity with which it is effected suggests its illusory character. In recent years reduction of salaries to levels in keeping with wage scales and prices generally prevailing has been the most important method of effecting economy without curtailment of services.

Next along a scale measuring the importance of the consequences of

expenditure reduction is that reduction which involves the trimming away of the less important or so-called "nonessential" services. Expenditure reduction through elimination of the nonessential services has also received both political and popular acclaim in recent years. Statement of the actual services considered nonessential frequently has been lacking. When such statement has been made it has often revealed marked and militant differences of opinion.

Still more deep-seated are the consequences of expenditure reduction which involves the curtailment or elimination of universally valued services. When the consequences are of this character it is, of course, unnecessary to say that the problems of expenditure reduction differ markedly from those when no such curtailment or elimination is involved.

Finally, there are reductions in expenditure which might affect what are generally referred to as the uncontrollable expenditures—expenditures which in large part are either required by law or represent the fulfillment of pledges of the government in question. Few governments choose to consider or accept the consequences of expenditure reduction which results in outright violation of the law or the breaking of pledges to redeem their borrowings.

In the case of the California county, there is yet a fifth type of expenditure reduction, not entirely parallel with those above mentioned. This reduction, if effected, would merely result in the saving of funds coming from the state without effecting reduction in county taxes. Since these funds are earmarked for specific purposes, reduction in expenditure of funds from such sources is seldom even seriously considered.

In determining the extent to which California county expenditures might conceivably be reduced and the consequences of varying degrees of reduction, expenditures of the last two classes above mentioned may be first set aside as more or less incapable of any reduction. For the 54 counties, the average total of the state apportionment for various purposes for the three years 1929–30 to 1931–32 was approximately \$21,200,000.⁵¹ The matching of school funds then required by law, and which funds are now also provided by the state, amounted to an additional \$15,800,000, bringing the total of the expenditure thus fixed to approximately \$37,000,000 out of the total expenditure of the 54 counties of \$119,243,368. For all counties (including Los Angeles, Alameda, and San Diego) the total state apportionment amounted to approximately \$75,700,000 out of \$269,033,583. This is the portion of the expenditure which, on the basis of present conditions, is not provided directly by the people of the county.

⁵¹ Computations by author based on "Financial transactions."

Expenditures for interest and for redemption of indebtedness amounted to an average of \$12,772,000 for the 54 counties, bringing the total of the fixed expenditures to nearly \$50,000,000 for the average of the three years. Similarly, out of the \$269,033,583 expended by all counties, the fixed expenditures amounted to approximately \$105,431,000.

Broadly speaking, the remaining \$69,000,000, approximated for the 54 counties, and \$164,000,000 for all counties represent the controllable element in county expenditure. This is only true in a formal sense, for it does not appear that the responsibilities involved in such an expenditure as charities and corrections are less important than in the case of expenditure for service on indebtedness.

The proportion of the remaining expenditure necessary for the adequate support of essential services and that which supports nonessential services and functions is of course impossible of determination. Examination of the distribution of expenditures shows that, with the exception of the very small counties, the large proportion is for services that this unit of government is definitely expected to perform. Likewise, the increase in recent years has been greatest for those services generally recognized as being in popular demand. To classify certain of these as nonessential would be, of course, almost completely arbitrary.

From another viewpoint, however, it may be noted that average expenditures, for the three years 1929-30 to 1931-32, were actually somewhat above the expenditures for the fiscal year 1929-30. If, with the wage scales and levels of payments prevailing generally in 1929, it was possible to obtain a given level of service, there is, of course, no reason why the same services might not be achieved at a considerably lower level in succeeding years, provided that county wage scales and levels of payments were kept in close adjustment with those prevailing elsewhere. In 1930-31 and 1931-32, county expenditures were considerably out of adjustment with price payments generally.⁵² It seems certain that wage scales which lagged considerably behind those in effect elsewhere were largely responsible.

Of the possibilities of lowered expenditure through increased efficiency, and without curtailment of services, the study gives definite indication particularly for certain groups of counties. Mention and appraisal of these possibilities is the task of sections immediately following.

⁵² Galbraith, J. K. California county expenditures. An analysis of the trends and variations between counties for county services and functions. p. 21-32. Thesis for the degree of Doctor of Philosophy, University of California, May, 1934. (Type-written.) Copies on file in the University of California Library and the Giannini Foundation Library, Berkeley.

COUNTY REORGANIZATION

Reorganization of the political and administrative structure of the county has been an established recommendation of careful students of local government in California for many years. Few have undertaken to argue against the advantages of simplification and integration, together with increased responsibility in the machinery of county government. Only the inertia in such matters, coupled with the influence of those who have certain advantages vested in the present system, and perhaps the errors of overzealous reformers, have prevented a much more general revamping of the governmental machinery in individual counties than has so far taken place.

In general, it has been the larger counties of the state which have found the dictated organization under general laws and tradition most seriously deficient. In particular, it has been these counties that have moved towards the adoption of home-rule charters with promise of some measure of reform. The present study is not of such character as to bring conclusive evidence to bear on the need of reorganization in the larger counties. It is strikingly apparent, however, that the general law and traditional organization can scarcely be more unsatisfactory for the large and populous units than it is for the very small county. A type of organization which takes from 10 to 25 per cent of all expenditures for the largely "overhead" cost of general government and a comparably heavy proportion for other functions fixed by statute; which gives evidence of definite lack of efficiency in the system of highway and institutional administration; which leaves the county relatively barren of services beyond those of the most time-honored character; and which shows, withal, a higher rather than a lower level of expenditures than in the case of other counties, is certainly to be condemned. There can be no doubt but that much difficulty will always be experienced in providing economical government with its services for the very small county.⁵³

At present, however, besides providing government for the very small county, an effort is being made to provide it with the same form and, from the standpoint of statutory functions, with something approaching the same scale as for the much larger counties.

The practical difficulties involved in county consolidation are well recognized. It may be that these difficulties can be circumvented by stressing instead the internal simplification of the government of the small county through much further consolidation of officers and functions than has yet occurred, the elimination of certain offices largely justified by tradition, the consolidation of road districts, and the per-

⁵³ This point of view is developed more fully in the succeeding section.

formance of certain services, particularly in the field of welfare, jointly with other counties. Almost all of these could be accomplished without further legislation and a number of them without even the need for adoption of a county home-rule charter. However, the possibilities of simplification and even drastic curtailment of the unused machinery for government in the very small counties through adoption of charters is an experiment which it is hoped will not be too long delayed.

CONSOLIDATION OF COUNTIES WITH SMALLER POPULATIONS

The economies possible from the consolidation of counties into units that are of a size deemed more in keeping with modern facilities for communication and transportation have been much discussed in recent years. For the smaller counties of California it is possible to throw considerable light on the nature and degree of these economies as a result of the comparison of expenditures for counties of various sizes as heretofore presented.

A number of plans for consolidating California counties have been suggested in recent times. One of these proposes the reduction of the number of counties from 58 to 15.⁵⁴ The general outlines of this plan (as modified for present purposes; see page 92) are shown in figure 22. It was released to the press with the following statement:

In suggesting these divisions, it should be understood no hard and fast boundary lines are being drawn at this time, nor should we say definitely that 15 is the proper number of divisions.

This should be studied carefully and consideration given to all of the various influences which are factors. It will be no easy task to redistrict the State into larger governmental districts into each of which several counties may be consolidated.

Each new unit should have a general community interest and, where possible, an economic unity, with transportation facilities reaching into every part of the area.⁵⁵

Five of the suggested new areas under this plan include 18 of the 22 smallest counties of the state and consolidate a total of 22 counties (table 24). Only 6 counties which come under groups I, II, and III are not included in one or another of these areas. The five areas as presented in the plan are described as follows:

10—North Sacramento Valley area: Red Bluff or Chico control city for northern Colusa, western Butte, Tehama, Glenn, and southern Shasta counties.

11—Redwood area: Eureka control city for Del Norte, Humboldt, Trinity, and northern Mendocino and western Siskiyou counties.

* * * * * * * *

13—Siskiyou Mountain area: No control center suggested, but area would include major portions of Siskiyou, Modoc, Lassen, Shasta, and part of Plumas.

⁵⁴ Suggested by Mr. Rolland A. Vandergrift. One of the most complete discussions of the plan will be found as a feature article in: *The San Francisco Examiner*. February 25, 1934, Sec. 1, p. 12.

⁵⁵ *The San Francisco Examiner*. February 25, 1934, Sec. 1, p. 12.

14—North Sierra area: No control center suggested, area embracing mountain sections of Plumas, Sierra, Butte, Nevada, and part of Placer and Yuba counties.

15—South Sierra area: No center suggested, area including southern mountain region of El Dorado, Alpine, Amador, Calaveras, Tuolumne, Mono, and northern part of Mariposa County.⁵⁶

The plan as above described has been made the experimental basis for an appraisal of the economies from consolidating the smaller counties of

SUGGESTED AREAS UNDER A PLAN FOR COUNTY CONSOLIDATION

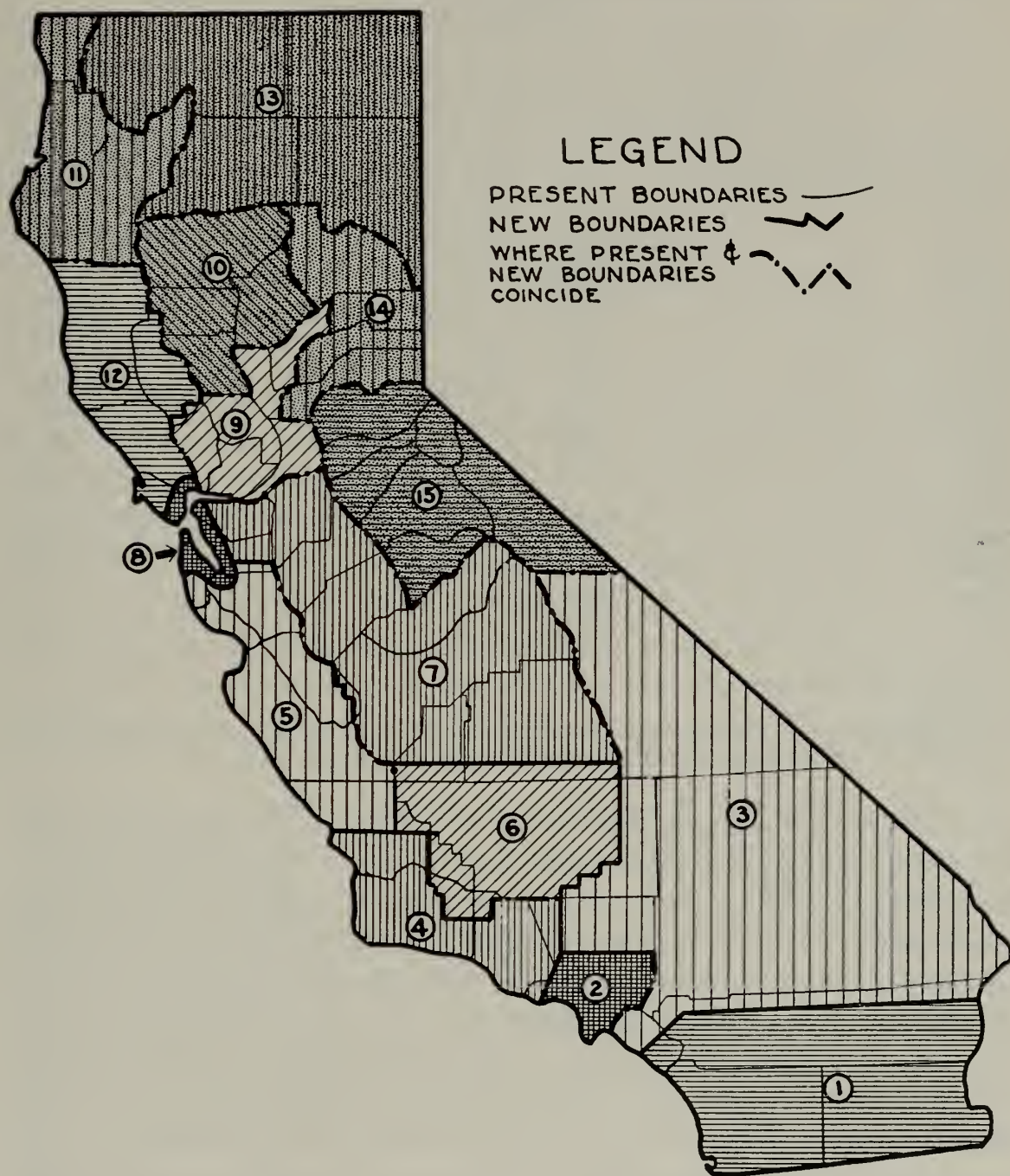


Fig. 22.—The suggested reorganization of California counties is shown. The shaded portions indicate the counties included in the present appraisal of economies from county consolidation. Boundaries of these areas have been adjusted to coincide with present county boundaries. (Adapted from: The San Francisco Examiner. February 25, 1934, Sec. 1, p. 12.)

⁵⁶ The San Francisco Examiner. February 25, 1934, Sec. 1, p. 12.

the state. Its use here does not imply that it is of special merit in comparison with other suggested schemes. Nor is it implied that consolidation will or should be effected by a general revamping of county lines rather than by more gradual consolidation of pairs or groups of counties. This plan has been used here because it serves to establish the possibilities of a reasonably thorough-going consolidation of the smaller counties in so far as this can be done with information developed by the present study.

TABLE 24

SUGGESTED AREAS UNDER PLAN FOR COUNTY CONSOLIDATION* WITH
CONSTITUENT COUNTIES AND POPULATION

New area with constituent counties	Population	New area with constituent counties	Population
North Sacramento area.....	69,152	North Sierra area.....	45,399
Colusa.....	10,258	Plumas.....	7,913
Glenn.....	10,935	Sierra.....	2,422
Tehama.....	13,866	Nevada.....	10,596
Butte.....	34,093	Placer.....	24,468
Redwood area.....	50,781	South Sierra area.....	36,932
Del Norte.....	4,739	El Dorado.....	8,325
Humboldt.....	43,233	Alpine.....	241
Trinity.....	2,809	Amador.....	8,494
Siskiyou Mountain area.....	60,034	Calaveras.....	6,008
Siskiyou.....	25,480	Tuolumne.....	9,271
Modoc.....	8,038	Mono.....	1,360
Lassen.....	12,589	Mariposa.....	3,233
Shasta.....	13,927		

* As modified. See below

Source of data:

Population from: United States Department of Commerce Bureau of the Census. Fifteenth Census of the United States, 1930. Population. Vol. 1:127-145. 1932.

In order to establish the population of the new areas as well as to compare their computed expenditures with those of the counties they include, boundaries of the new areas have been adjusted to coincide with present county lines. This has involved the allotting of all of Siskiyou and Shasta to the Siskiyou Mountain area, the allotting of all of Butte and Colusa to the north Sacramento area, and the making of the two Sierra areas conterminous in their western boundaries with the present western boundaries of the foothill counties. The shaded area in the map (fig. 22), which is the section subjected to this appraisal, shows the areas as modified. Table 24 gives the areas and their populations together with the counties of which they are comprised and the populations of these counties.

In computing the expenditures of the new areas those items of expenditure which do not show a categorical relation to the size of the county

have not been included. Thus an irregular expenditure like "general government buildings and outlays" has not been included nor has expenditure for services to health, which are so clearly related to a higher level of service in the larger counties. Expenditure for highways has been included but in a more or less tentative fashion because of the seemingly apparent relation of part of the higher levels for this item in the smaller counties to sparseness of settlement, isolation, and rugged topography. Educational expenditure, it will be recalled, shows a higher comparative, or per-capita, level for the very small counties, although occupying a smaller place in the budget as a whole. The higher comparative levels, however, appear to be so immediately related to the cost of carrying this service to a sparse population that this expenditure has not been included.⁵⁷ Expenditures for service on indebtedness are clearly meaningless in connection with the present analysis.

With the expenditures clearly related to the size of the unit once isolated, the next step has been to assign the consolidated area to the population group to which it would belong if it now existed as a single county. Thus, the north Sacramento area would become a member of group V (counties having populations from 40,000 to 80,000) as would also the other areas with exception of the south Sierra area which, with a population of 36,932, would become a member of group IV. The next step in the computation is to multiply the present comparative, or per-capita, expenditures of the group of counties to which the new area would correspond in size by the population of the new area. This gives the estimated expenditure of the new area for the service in question. The difference or "saving" in table 25 is of course the difference between the actual combined expenditure of the counties in question, and their expenditure computed as above, were they combined into a single unit.

It may be pointed out that any synthetic construction of the present sort requires a fairly broad interpretation. The specific limitations are noted later in connection with the findings, although it is worthy of note at this point that there is an increasing degree of error the larger the counties included in the areas become. The tendency for comparative expenditures to "flatten out" beyond a certain population has been noticed, and unexplained county-to-county fluctuations tend more and more to confuse the changes related to size as the counties become larger.⁵⁸

⁵⁷ This expenditure was computed by the author as a matter of interest. Differences between small and large counties show themselves to be without significance.

⁵⁸ From another point of view this merely means that, since the large counties form the base for measuring the expenditures of the consolidated areas, the analysis for those areas of which large counties are a part becomes a matter of measuring the expenditure of the area against a base which includes the constituent counties.

As might be anticipated at this stage, the computed reduction in expenditure for *general government*⁵⁹ is relatively the most important among the indicated savings through consolidation of the 22 counties into the five areas (table 25). Computed expenditure for general government for each of these areas is impressively below that of the present expenditure for this function.

The suggested union of the relatively small counties of Colusa, Glenn, and Tehama, with the somewhat larger county of Butte, to form the

TABLE 25
ESTIMATED REDUCTION IN COUNTY GOVERNMENT COST FROM CONSOLIDATION OF
SMALLER COUNTIES (AVERAGE ANNUAL EXPENDITURE, 1929-30 TO 1931-32)
Classifications Concluded on Opposite Page

Name of area	General government*				Protection to persons and property†			
	Present expenditure	Computed expenditure	Saving		Present expenditure	Computed expenditure	Saving	
			Dollars	Percent of present expenditure			Dollars	Percent of present expenditure
North Sacramento	\$354,040	\$239,266	\$114,774	32.4	\$96,128	\$67,077	\$29,051	30.2
Redwood‡	276,308	219,633	56,675	20.5	71,145	61,420	9,725	13.7
Siskiyou Mountain	284,926	207,718	77,208	27.1	87,435	58,233	29,202	33.4
North Sierra	195,345	157,081	38,264	19.6	49,728	44,037	5,691	11.4
South Sierra	\$233,936	\$141,819	\$ 92,117	39.4	\$56,084	\$38,779	\$17,305	30.9

* Excluding "General government buildings and outlays."
† Includes only "Sheriff, constables, and jails."
‡ See pages 95 and 96 for explanation of the method of computing expenditures for this area.

north Sacramento area indicates the largest single reduction amounting to \$114,774 or roughly one-third of the sum now expended by the four counties. The case of these counties is particularly interesting for they form a rather compact unit with no topographical barriers dividing different units. Combined they would not greatly exceed in area a considerable number of existing counties with equivalent populations.

The largest proportionate reduction from combination of the counties is apparent for the seven counties making up the south Sierra area. The counties which make up this area are among the smallest in the state, none having a population in excess of 10,000. Collectively, however, these counties would have a population sufficient to establish the area near the upper limit of group IV for an indicated reduction in general

⁵⁹ Excluding expenditure for "general government buildings and outlays."

government expenditure of approximately \$92,000 or about 40 per cent of the amount now spent. In the case of these counties this could hardly be conceived as a net reduction from the standpoint of the community at large—the increased cost of access to the county seat for the individual is an instance in point—but in some respects this is one of the most significant of the expenditure differences here considered. The \$92,000 involved is equivalent to more than \$2.00 for each person resident in these counties, and has a significance in relation to all expenditures and to tax-

TABLE 25—(Concluded)

ESTIMATED REDUCTION IN COUNTY GOVERNMENT COST FROM CONSOLIDATION OF
SMALLER COUNTIES (AVERAGE ANNUAL EXPENDITURE, 1929–30 TO 1931–32)

Charities and corrections‡				Highways				Total saving	
Present expenditure	Com-puted expenditure	Saving		Present expenditure	Com-puted expenditure	Saving		General government, charities and corrections, protection to persons and property	General government, charities and corrections, protection to persons and property, and highways
		Dollars	Per cent of present expenditure			Dollars	Per cent of present expenditure		
\$159,429	\$152,826	\$ 6,603	4.1	\$831,393	\$603,005	\$228,388	27.5	\$150,428	\$378,816
178,809	165,225	13,584	7.6	568,293	535,987	32,306	5.7	79,984	112,290
169,880	132,675	37,205	21.9	540,385	523,496	16,889	3.1	143,615	160,504
109,470	100,332	9,138	8.3	403,265	395,879	7,386	1.8	53,093	60,479
\$121,852	\$ 99,716	\$22,136	18.2	\$449,060	\$348,638	\$100,422	22.4	\$131,558	\$231,980

‡ Excluding "Care of indigents, outside of almshouse, burial of indigents, and other charities," and "Outlays."
Source of data: Computations by author based on "Financial transactions."

able wealth many times that of a similar sum for the larger counties of the state.

For the two areas, north Sierra and Siskiyou Mountain, consolidating eight of the northeastern counties, there are smaller but yet significant reductions. For the four counties combined into the latter area there is an indicated reduction in general government expenditure of approximately \$77,000 or more than 25 per cent of the amount now spent. Among the offsetting factors this would be, in point of area, one of the largest units in the state, and the problem of finding a county seat easily accessible from all points would not be resolved without difficulty.

The Redwood area, consolidating Humboldt, Del Norte, and Trinity, shows a reduction of approximately 20 per cent amounting to \$56,675. Adding Del Norte and Trinity counties to Humboldt fails to increase

the population of this area sufficiently to bring its classification into a county group higher than that now occupied by Humboldt. For this reason the method of computation in connection with this area has been altered to measure the expenditures of the two smaller counties alone on the basis of those of the unit to which they would belong, and these have been added to the actual expenditure of Humboldt. The computed expenditure shown is hence that which would be expected for Del Norte and Trinity were they part of a unit equivalent to that which would result from their combination with Humboldt,⁶⁰ together with the actual expenditures of this county. The reduction in expenditure as shown is hence the reduction which would be indicated for Trinity and Del Norte alone were they relieved of the necessity for supporting independently the machinery of county government and were instead a part of a larger county. When it is considered that these counties are (in point of population) respectively the fourth and sixth smallest in the state, the \$56,675 which is involved is indeed significant.

So close is the relation between size and comparative costs of general government at the present time (fig. 17) that the above computations are extremely thought-provoking. For the five areas and 22 constituent counties the indicated reduction in expenditure for general government is in the neighborhood of \$380,000 or well over one-fourth of the present expenditure for this item. Further, it must be stressed that this amount is derived on the basis of actual expenditures of counties of corresponding size and with all of the administrative and financial shortcomings to which we know—or at least assume—this unit of government to be an heir.

The next expenditure included in the appraisal of possible economies from consolidation has been that for certain of the services rendered under the classification of *protection to persons and property*. Part of this expenditure it will be recalled—that for regulatory and inspection services and for the farm advisor and agricultural commissioner—shows some tendency to increase in comparative levels in the medium and larger counties (table 18). Since this increase is clearly related to increased levels of service in the larger counties, the expenditure has not been included in the present appraisal. However, expenditure for support of the sheriff, jails, and constables, showed an even more direct trend in comparative expenditure in the opposite direction, and it is unnecessary at this time to restate the bases for the conclusion that this diminishing per-capita level of expenditure in the larger counties is chiefly related to the size of the unit to which these services are rendered.

⁶⁰ The same method of computation is employed for this area in connection with the other expenditures.

As in the case of general government, all of the suggested new areas show a substantially lower expenditure for sheriff, constables, and jail in comparison with the present expenditures of their constituent counties (table 25). Since the total sum involved is a much smaller one, the indicated decrease in absolute expenditure is of course likewise smaller. Most interesting, however, are the figures for relative or percentage decrease and especially the close correspondence from one area to another with those for general government—strongly indicative of the similarity between the operation of the size factor in determining expenditure for the sheriff and included items in the small counties, and the operation of the same factor in the case of general government.

The combined counties making up the north Sacramento area show again a reduction of about 30 per cent, amounting to slightly less than \$30,000. Again considering the compactness of this area and its favorable topography and communication, it is difficult to see the offsetting factors or why as a single unit it should spend more for the services of the sheriff than a present county of roughly similar area, population, and physical character. For the Redwood area the indicated reduction with consolidation is in the neighborhood of 14 per cent and amounts to approximately \$10,000. As previously mentioned, this grows entirely out of the reductions for the high-cost counties of Trinity and Del Norte. The indicated economy for the seven counties of the south Sierra area is slightly smaller in comparison with that for other areas than in the case of general government, although still in the neighborhood of 30 per cent and amounting to a total of approximately \$17,000. The four counties of the Siskiyou Mountain area show the only marked difference from the general alignment of percentage reduction as between areas for general government. This area shows the greatest decrease in expenditure for the sheriff, constables, and jails, amounting to 33 per cent of the present expenditure of the constituent counties or approximately \$30,000. As before, the four counties of the north Sierra area show the smallest absolute and proportionate reduction, the latter amounting to about 11 per cent.

For areas such as Siskiyou Mountain, one is inclined to hazard the possibility of not inconsiderable offsetting influences. The inaccessibility of various parts of the area, as noted in connection with general government, would increase somewhat the cost of performing certain of the sheriff's functions. However, Siskiyou County at the present time spends comparatively less for the services of this officer than other counties of similar population but much smaller size.

The indicated reduction for the portion of expenditure for protection to persons and property here included adds approximately another

\$90,000 to the reduction noted for general government. While this is not a large sum, it is to be recalled that the total expenditure involved is not a large one. Divided among the four areas the \$90,000 would provide a considerable volume of services to public health, or to the agriculture and economic life of the community which the majority of the individual units do not now enjoy.

For *charities and corrections* a greater county-to-county variation in per-capita expenditures exists than in the case of general government or support of the sheriff, and, as previously noted, there is somewhat less reason for relating the higher levels in the smaller counties as closely to the small size of the unit served. This has been considered especially true for relief of indigents outside of county institutions and related charitable services, and these together with "outlays" have not been included in the present appraisal.

There has been reason to believe, however, that the support of county institutions for charitable and welfare purposes does show an increasing burden of overhead for the smaller counties and these (with some of the smaller items⁶¹) have been subjected to appraisal in table 25. All of the areas show an indicated decrease for this item from that of the present expenditure of constituent counties, and with the exception of north Sacramento, there is again a rough parallel in proportion to the former total as between different areas. The relative reduction, however, is uniformly smaller than that for protection to persons and property and for general government.

The four counties making up the Siskiyou Mountain area show, as in the case of the preceding item, the greatest indicated reduction closely followed by the seven counties of the south Sierra area. For the remaining areas the indicated reduction is considerably smaller. The total indicated reduction for the 22 counties for charities and corrections is slightly smaller than that for the sheriff, constables, and jails, which, in turn, is a much smaller expenditure in total. In so far as the larger counties, against which the expenditure for the new areas for these services are being measured, have higher standards of service, the full change involved is of course not depicted. On the other hand, there is also the possibility of a higher level of need in the smaller mountain counties with evidence in recent times, as has been noted, of an even less stable economic fiber than the predominantly agricultural counties. While there is logical evidence of a more economical operation of the county welfare institutions in a unit larger than most of those being here con-

⁶¹ Certain of these show but little trend from small county to large, as in the case of the counties' contribution to the care and examination of its feeble minded and insane. They are a minor part of the total, however, and have been carried in the present analysis merely for purposes of convenience.

sidered, it must be remembered that the basis for appraisal is less certain than in the case of the two items previously considered. As a practical issue it should also be remembered that the institutional services of these smaller counties are now "going concerns." Their consolidation into larger, and more economical units, for service of a larger area would not be accomplished without some fresh expenditure.

Expenditures for *highways*, it has been noted, are included in but tentative fashion. The indicated reduction for this item is approximately equal to that for general government although it arises as a smaller percentage of a larger total figure. The counties which are consolidated in the areas here being considered are in the main mountainous in character and sparsely populated. For this as well as other reasons (page 47) it seems certain that a part of the comparatively higher levels of highway expenditure might be necessary in comparison with more populous and less rugged counties. Another and important aspect of the situation, however, arises from the high cost of maintaining road machinery and equipment, and for providing supervision in the even smaller supervisorial road districts (page 48). That this is an item of some significance is shown by the indicated saving in road expenditure among the various areas. The most significant reduction among the various areas is that for north Sacramento which, however, combines 2 of the smaller valley counties with 2 others which have substantial areas of valley land. Moreover, the two valley counties, Glenn and Colusa, have higher comparative highway expenditures than the more populous counties of Tehama and Butte with their larger area and mountainous territory. Further evidence that the size of the road-building unit has an important influence on comparative expenditure rests in the observation that the second most significant of the indicated reductions comes from the suggested combination of the 7 small mountain and foothill counties to form the south Sierra area. This is in contrast with the smaller reduction from combining the (in general) much more populous counties of Siskiyou, Modoc, Lassen, and Shasta.

Just what part of the indicated reduction of 27 per cent in highway expenditure for north Sacramento, or 22 per cent for south Sierra, or of the smaller and less significant amounts for other areas is to be related to the size of the unit rather than to the difficulties of road-building, must remain, however, an unknown. The author hazards the opinion that a considerable and perhaps even a major proportion of the approximate \$385,000, indicated as a reduction, might be actually effected. This would probably be realized in the form of an increased return for expenditure through the more economical operation of a more efficient road-building and maintenance unit.

For the average of the three years 1929-30 to 1931-32, the 22 counties, for which the possible expenditure reduction has been appraised, spent for all services and functions slightly over \$15,000,000. On the basis of existing county organization and the actual expenditure of the counties of equivalent size, the reduction for those expenditures which have just been considered and which appear more or less definitely related to the number of people served, would fall somewhere between \$500,000 and \$1,000,000 in total, perhaps approaching the latter figure more closely. On the surface this does not appear to be a large sum, but such a view is inadequate. Four of the counties⁶² which are included in this appraisal spend 6.6 million dollars of the total or not far short of half of that for the 22 counties. Since these 4 counties approach in size those which are being used as the base for purposes of measuring the expenditures of the new areas, their expenditures are reduced in rather small degree. For the remaining counties spending 9.5 million, the reduction in expenditure from consolidation bears a sizeable relation to the total. The sum of \$150,000 might be arbitrarily settled upon as the economy from consolidating road districts in the five areas. When this is combined with the savings in general government, protection to persons and property, and charities and corrections for the five areas, the total of approximately \$700,000 so obtained exceeds the present total (individual) expenditure of 16 counties of the state. Furthermore, just as there is but little change for the larger counties which are in close proximity with the base against which measurements are being made, so there is the maximum reduction for the very small high-cost counties. For these counties consolidation holds forth the promise of definite economy.

In appraising the advantages of county consolidation, certain offsetting disadvantages must also be taken into account. Measurement of the economies in operating the county governments and service agencies themselves does not give a complete balance sheet for judging whether such a consolidation would be to the advantage of the residents of the counties concerned. With larger counties people must travel greater distances in order to transact business which requires a visit to the county seat. Extra expense and time thus used are very difficult to measure but constitute an offsetting debit, though probably not a large one, against the advantages here shown. Such consolidations also involve some scrapping of present facilities and a certain amount of new construction. Even though these counterbalancing factors could be measured, it is not likely that they would in most cases alter the conclusions which have been stated.

⁶² Humboldt, Butte, Siskiyou, and Placer.

CONSOLIDATION OF COUNTIES WITH LARGER POPULATIONS

The evidence from the present study is not clear as to the economy from consolidating the medium and larger counties of the state—roughly those counties with a population in excess of 40,000. The overhead expenditures for statutory and traditional offices and functions, supported at high cost by the small county, become of much less importance in these larger units. The tendency of many of these expenditures to “flatten out” after a certain county size has been reached or, otherwise expressed, to increase proportionately with the increase in population, has also been noticed. The economy of county consolidation is from sharing a single overhead by a larger number of people. If this overhead, as indicated, becomes of minor importance for the larger counties and in any case ceases to be an overhead by increasing with the increase in population, then the gains from county consolidation disappear.

If it cannot be shown that a county with a population of 100,000 is serving its population with a greater efficiency than a county of 40,000, then there is little to indicate the desirability of consolidating counties of the latter population. Even taking into consideration the possible higher standards of service in the very large counties and the fact that a small percentage reduction in expenditures would amount to a considerable figure with the large total expenditures involved, the present study does not bear strong evidence that the county of what may be termed a “reasonable” population is much less efficient than a county of large population. This being the case it would appear that first emphasis, at least in matters pertaining to county consolidation, should be directed towards those county units which have an “unreasonably” small population.

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APPENDIX A

SOURCE AND CHARACTER OF EXPENDITURE DATA

Obviously, a major consideration in a study of the present character is that of available data and their authenticity and general useability. Data on county expenditures are available from two possible sources: (1) reports of the individual counties and (2) compilations made by the State Controller's Office and published annually under the title of "Financial Transactions of Municipalities and Counties of California."⁶³

Main reliance has been placed on this second source for the basic material of the study. The advantage of working with data in a semicomplied condition in a study of this sort is obvious, and a detailed compilation from budgets or financial statements of individual counties was quite beyond the resources, either of time or money, available for the present work. Moreover, while as noted later the data used had some fairly serious shortcomings, it seems certain that the extra advantages accruing to more logical segregations of expenditure would not have justified the extensive duplication of effort involved. Use of this material has enabled the study to be carried on from approximately the point where the compilations of the State Controller's Office leave off.

It is of importance, however, that a number of items in connection with the State Controller's data be noted rather carefully in their bearing upon the present study. Among these it may be mentioned that the segregation of capital and current expenditure as made in this report appears to be on a rather doubtful basis. A capital expenditure or "outlay" is regarded as such when the expenditure is for something considered to be of a permanent character. Obviously, the line of demarcation between the permanent, semipermanent, and transitory is hazy and not likely to be interpreted alike by any two county officials.

For the purposes of the present study an effort has been made to recombine current and capital expenditure wherever possible. In connection with the analysis of comparative increases in expenditure for various functions (pages 7 to 30), the influence of heavy capital outlays for one or a few counties in any one year is largely overcome by the fact

⁶³ California, Office of Controller. Annual report of financial transactions of municipalities and counties of California, annual issues. California State Printing Office, Sacramento. Cited throughout as "Financial transactions."

This report was first required by an act of the Legislature of April 21, 1911, which directed the State Controller to "compile and publish annually reports of the financial transactions of each county and municipal corporation." Several years elapsed before complete reports were issued, in fact, such completeness awaited a substantial increase in the penalties provided for local officers who failed to file requisite data with the State Controller.

that data for so many counties are included. There is still, however, some possibility of distortion for any one year in connection with certain types of expenditure. The same also holds true for the influence of expenditures which although recurrent, vary in weight from year to year. In the case of major groups of expenditures such as those for education and highways, or those grouped under the heading of "charities and corrections," the possibility of distortion from the above factors, even for one year, is not large. In the case of general government or smaller expenditure items such as health and recreation, the possibility is considerably increased. Heavy increases in expenditure for general government are noted for the year 1926-27. A closer examination, however, shows that this is the result of the inauguration of courthouse construction in San Bernardino County and Santa Barbara County. A considerable drop in expenditure for general government in 1929-30 may be related to the completion of the Santa Barbara structure and more particularly to the low election expenditure in that year. The increase in the following year is largely a result of the elections in the fall of 1930 and also some increase in building expenditure.

While obviously, longer time trends in expenditure are unaffected by the above variations, shorter time inferences must be made with care. Since present analysis is concerned with the more general of the movements, irregularities from the above-cited causes are not of particular concern. They should be kept in mind, however, in extending the employment of data presented beyond the limits of use in this study.

In connection with the cross-sectional examination of expenditures (pages 30 to 86) on the basis of a three-year average, the combination of capital and current expenditures offers no serious difficulty. In the case of many groups of expenditures the so-called "outlays" make up but a minor part of the total. Simply combining the current and capital disbursements in such cases gives a picture of expenditures which is virtually as valid as were there an accurate separation. In the opposite extreme are certain groups of expenditures, such as that for highways and bridges, where the capital items comprise a large part of all disbursements. In such instances it is likewise proper that capital and current items be taken together, since expenditures for permanent structures are almost as normal to any year's highway operations as expenditures for grading or for other work that is repeated each year. As satisfactory a picture of the level of highway expenditure is obtained in the two combined as in a separation, even were the latter on a satisfactory basis. The most important problem in this connection comes in items such as education and particularly, general government, where a building program, for example, might distort possible comparisons in expenditure levels,

even for groups of counties. It is believed that this difficulty has been satisfactorily resolved by use of the three-year average of county expenditures. Some school-building, like some road-building, is a normal expenditure, and a close examination of the data shows that any apparently abnormal expenditure does not sufficiently influence the various measures of expenditure of county groups on the basis of a three-year average to invalidate or even seriously distort the basis for inference. In the case of general government, instances have been indicated where courthouse and similar construction influence the data used.

In some respects more troublesome than the year-to-year fluctuations in the data as a result of capital outlays and periodical expenditures, are errors in reporting expenditure. County accounting methods are far from precise, and in some instances, those in charge have not shown a particularly keen appreciation of their responsibility for furnishing accurate and complete reports to the State Controller's Office. Every effort has been made to detect and rectify discrepancies, but considering the volume of the data handled it would be indeed optimistic to expect that all or perhaps even a considerable portion of these had been eliminated. Here again, however, the broader trends remain almost completely unaffected and it is the finer judgments that are to be avoided.

By far the knottiest problems in connection with data employed are those arising out of district expenditures. In organizing a study such as the present, several lines of approach might be taken with reference to these expenditures. Districts might be considered to constitute a unit of government quite apart from the county and their expenditures excluded as being outside the universe of study. The difficulty with this view, however, is that the services of counties and of districts are in many cases similar as well as supplementary, and as such there may be partial substitution of one for the other under certain circumstances. An example of this may be seen in the case of aggressive street or road-building by a number of road-improvement districts in a county. In this case the county-highway expenditure may perhaps be lower than if there were little district activity. In any case, data on county-highway expenditures will not give a satisfactory picture of the total of such expenditures for the county. Further, while it has been the policy of the present study to look at expenditures objectively without detailed consideration of their burden, it may be remembered that county and district both rely in large part on the same tax base. Looking at the expenditure of the county for a particular service through the eyes of the taxpayer concerned is a meaningless process if a district, of which his property forms a part, is also performing a portion of that service or one similar to it.

The ideal method would be to handle district and county expenditures separately and also combined as a total figure for local expenditures for a particular service. The nature of the data used has made it necessary to rely on the second method alone in the present study. Classified data for district tax levies, which are much more complete than similar data for expenditures, indicate that in 1930-31 total special and district tax levies handled through the county treasury amounted to slightly in excess of \$100,000,000. The largest part of this, or about \$78,000,000 was collected for elementary and high schools, and as an expenditure it comes under the various educational services, according to the practice of the State Controller's Office.⁶⁴ Likewise, expenditure of road districts has been included under highway expenditures. District expenditures devoted to service of bonded indebtedness for school purposes and road districts are included under the heading of payment of interest and redemption of debts. This latter item also includes interest payments for certain service districts, expenditures of which are not included in the study. While these are a relatively insignificant part of the total, there is an admitted inconsistency in their inclusion. There is no possible basis, however, for segregating them from interest on school and road district indebtedness.

Operating expenditures of reclamation, levee, and other districts are not included in the present study. It is possible that expenditures of fire, lighting, mosquito abatement, and similar service districts might properly have been included, but no basis was available for separation from such of the reclamation, levee, and like districts as are administered by the county. These latter constitute a type of public enterprise distinctly apart from that with which the present study is concerned.⁶⁵

⁶⁴ Computations based on "Financial transactions," 1931. The extent of expenditures for service on indebtedness of such districts is noted on page 82.

The author is indebted to Miss Ruby Sawyer, Statistician, Office of the Controller, for assistance in clarifying the distribution of district expenditures as made in "Financial transactions." This report could be improved by a clear-cut segregation of county and district expenditures or even by more specific statement of the methods now employed in allocating district expenditures to various classes of expenditure. From the standpoint of the present study this was the most unsatisfactory feature of the report as a basic source of data.

⁶⁵ Expenditures of these types of districts coming under county administration and included in the State Controller's reports are relatively small.

APPENDIX B

COUNTY EXPENDITURES INCLUDED IN THE ANALYSIS

In compiling the total or gross expenditures for use under "Historical Analysis of County Expenditure," only those expenditures have been included which are clearly for account of county service rendered or for the organization which makes possible the rendering of such services and the continuance of its functions. These include expenditures for the following :

- Education
- Highways and bridges
- Charities and corrections
- General government
- Protection to persons and property
- Conservation of health and promotion of cleanliness
- Recreation
- Miscellaneous
- Interest on indebtedness

As noted in Appendix A district expenditures for education and highways have been included with county expenditures for these items, while expenditures on the account of reclamation, irrigation, and levee districts have been excluded. Expenditures for the redemption of debt, both on county and district bonds, have likewise been excluded from these compilations. Over a period of years the inclusion as expenditure of both the funds from a bond issue and the funds used to pay off the issue involves a double counting. From the standpoint of the taxpayer the expenditure of greatest significance is probably that which is devoted to paying off the debt. However, a more logical conception of expenditure is that which looks upon it as being consummated at the time when the equivalent is received. Although expenditure of the United States government in recent times for redemption of Panama Canal bonds might be considered indirectly as the expenditure for the Canal, the everyday view would be that the expenditure was made when the Canal was built.

Interest on bonded indebtedness, on the other hand, has been included as an expenditure, although, from the standpoint of rigid economic theory, the justice of so doing might be questioned. Argument against including interest would be based on the doctrine that such payment is merely equivalent to the difference between the desirability and convenience of future as against present expenditure. Inverting the familiar

justification of interest,⁶⁶ it is simply the price which the supporters of a unit of government are willing to pay for the immediate gratification of a want with payment postponed, or spread over the life of the object of the expenditure. In this sense interest on indebtedness, instead of being considered an expenditure, is merely the equivalent of the difference in convenience and desirability of two means of providing that which is to be expended.

A more realistic view of expenditure, however, is likely to place a different interpretation on payment of interest. It is difficult indeed to exclude from the view the annual levy against the county treasury for sustaining the overhead burden of indebtedness. There is also an assumption implicit in the foregoing reasoning that the choice between current financing and borrowing is a rational one motivated by the desire for maximum utility from the apportionment of social resources through time. It is doubtful indeed if the practical issue of taxation versus borrowing by a county is often decided on the basis of such a criterion. In such case more is to be gained by simply regarding interest expenditure as a payment of parallel category to others made by the county—or as a remuneration for the “service” performed by those who enable postponement of immediate payment. Furthermore, as Bastable⁶⁷ has pointed out, there is danger of looking upon all expenditures—other than that of a recurrent nature—as extraordinary, the latter in turn to serve as a justification for borrowing. Actually nonrecurrent expenditure may be just as “ordinary” as recurrent expenditure, though the specific form of any given expenditure be not duplicated once in several decades. As far as California counties (and districts) have employed this method of financing—an issue which cannot be resolved at this time—interest payments must be regarded merely as the penalty for a very human lack of foresight in financial administration or the product of political expediency. In such case there is little justification for removing them from the sphere of county expenditure in the light of the objectives of the present study.

The combined City and County of San Francisco has not been considered as a county in this study. This is in conformity with the practice of the Controller, and the character of the unit in question makes it far

⁶⁶ For example see: Marshall, Alfred. *Principles of economics*. 8th ed. p. 580–595. The Macmillan Co., London. 1930.

⁶⁷ Bastable, C. F. *Public finance*. 3d ed. p. 669. The Macmillan Co., New York. 1927. In this connection Professor Bastable makes the following statement: “The expenses of the State do, no doubt, vary from year to year, and any sudden increase which has to be met by taxation may prove inconvenient, but on the other hand we have to remember that so-called extraordinary expenditure is itself recurring. To treat all fresh claims as extraordinary and to meet them from loans is an easy, but dangerous course.”

from typical of the California county in general. The counties of Los Angeles, Alameda, and San Diego,⁶⁸ referred to herein as the "Metropolitan Counties," have been separated from the remaining counties of the state wherever total county expenditure figures have been used in the analysis. These counties are predominantly urban and their expenditures have been a less immediate concern of the present study. An equally important consideration, however, has been that the expenditures of these three counties, with well over two-thirds of the population of the state (excluding the City and County of San Francisco), tend to overshadow the expenditures of the smaller counties.⁶⁹ A much better appreciation of levels and trends in total expenditure of the 54 smaller counties is to be obtained by separating them from the expenditure of the three larger ones. In some instances a total figure covering expenditures of all counties has been included largely as a matter of interest and for purposes of comparison.

For purposes of the cross-sectional analysis of comparative, or per-capita, levels of expenditures in different groups of counties, as carried out in "The Present Situation in County Expenditure," expenditure for redemption of indebtedness has been reincluded. In the search for a clearly defined picture of county expenditures at a given time, it is entirely logical to look at both new capital expenditures (rapidly declining in two of the three years considered) and expenditures for redemption of past indebtedness.

This implies an objective view of county expenditure as gross funds disbursed by the county treasury without regard for their source. However, since county funds for the expenditures here considered are gathered from a variety of sources, the minute sacrifice of the element of "burden" that results from this approach is not serious.

⁶⁸ The ratio of rural farm to urban population in 1930 as shown by the Census is as follows: Los Angeles, 1:67; Alameda, 1:46; and San Diego, 1:17.

⁶⁹ This is well brought out in fig. 1. By taking the fiscal year 1930-31 as an example, expenditures of these 3 counties stood at \$145,614,901 or 1.23 times the expenditures of all other counties combined. It may be of interest to note that the expenditures of Los Angeles County, including debt redemption, during this year were approximately four times greater than the total expenditure of the federal government in 1840 and twice as great as federal expenditures at the beginning of the Civil War. (Data from: Annual Report of the Secretary of the Treasury. 1924.)